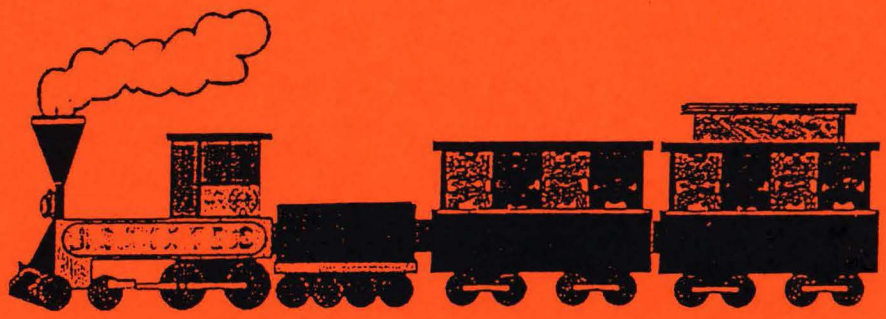
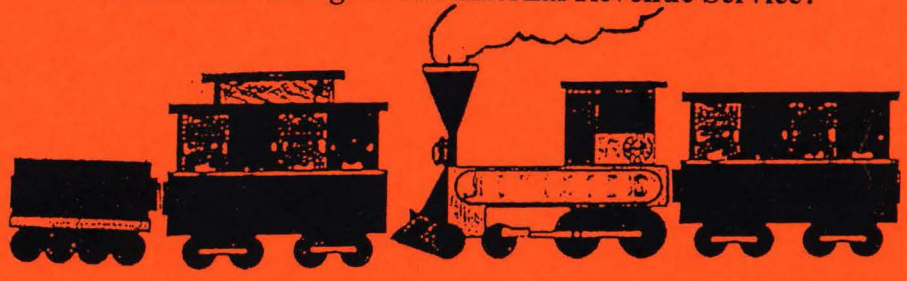
* PROCEDURE *

What is proper procedure of the IRS?



Which train belongs to the Internal Revenue Service?



Why do I need to know procedure?

How do I take on and win over IRS procedure?

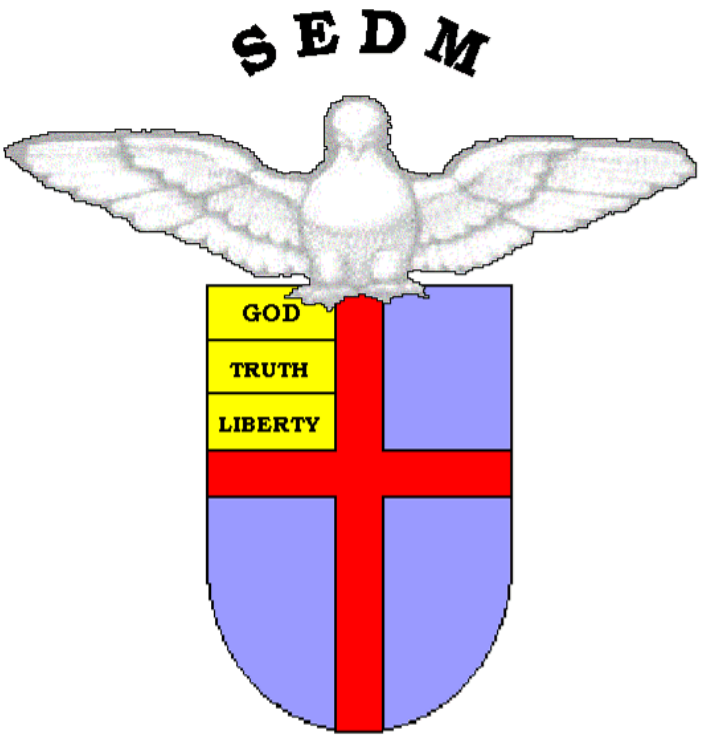
How do I use Procedure and FOIA together for my benefit?

Volume 10, October 2002

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PROCEDURE

OCTOBER

2002

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Introduction to IRS Procedure

A. When it comes to procedure the IRS has had decades of proven results to use against you with an on going development process.

1. When we research procedures we trace back to when a specific procedure was first introduced, how the IRS developed it and the process and maneuvers they used to get it accepted as valid.

2. One of the places the IRS will try out new procedures to see how effective they are is in tax court, where they control the playing field, the rules of the game, the Referees, and ultimately the outcome – to their favor.

 a. They can also choose who they want to play against.

3. Then when they get some favorable rulings built up in Tax court they will move into selected Federal District Courts with cases before specific Magistrate Judges to get favorable rulings and results with this new procedure. Then they publish and promote it until it becomes accepted practice throughout the country.

4. They count on cases favorable to them being listed in the reported casebooks. Cases that they lose will be marked not fit for publication and are unreported.

B. The IRS will usually begin by sending you a letter or notice which will start their procedure against you. You are in an Administrative case.

1. They have had years to perfect their procedures with thousands of victims.

2. You do not need to be a victim. Some of us have gone through many restless hours of uncertainty, until we discovered how this system functions.

C. In starting the whole PROCEDURE process it is necessary to identify exactly what they sent to you and to answer it timely and on point.

D. We also want to give you some examples of what to look for in the way of IRS correspondence.

1. This section can be used as a handy reference guide to identify the exact correspondence they have sent you.

2. When you call us have the paperwork they have sent you ready so you can identify it and tell us precisely what you received.

E. Our goal is to help you become as knowledgeable as we can concerning the IRS We send out these "VIP Dispatches" so that you can make informed and intelligent decisions when dealing with the IRS.

F. The issue of accuracy bears on a whole range of procedures that affect your ability to reach overall outcomes that are favorable to you.

1. We try to teach you how to take the IRS's fictional, negative precedent that they sent to you and turn it into a positive response for you.

2. Our information is based upon the evaluation of their procedures and the problems we identify that they have created in the past.

G. There are different legal procedures that you can use to determine the ultimate effects of underlying substantive legal rules.

1. You can also use other procedural devices to limit the abuse of power by the IRS.

H. Legal procedures provide the means by which substantive rights are and rule are ultimately enforced.

1. You actually have available to you an elaborate system for adjudication where your substantive rights are concerned.

I. The procedures that are inherently instrumental in protecting your substantive rights are simply not taught in Law School or CPA school. Nor are they taught anywhere in the high schools or colleges in America today.

1. As many of you learn these important points it should be clear that independent notices of fairness regarding legal procedure can hardly be viewed in a vacuum when determining how the legal system should operate.

J. The IRS procedure is a parasite. Their procedure deviates from substantive legal rules under which the legal system is supposed to operate.

K. The procedures that the IRS uses are not grounded upon solid legal concepts therefore can not stand up to even the slightest scrutiny.

L. You can base your procedures upon solid legal concepts if you know what they are and how and when to apply them.

Blacks Law Dictionary on Procedure

A. Procedural Due Process: Exhibit A, "parties whose rights are to be affected are entitled to be heard and, in order that may enjoy that right, they must be notified."

B. Procedural Law: "That which prescribes method of enforcing rights or obtaining redress for their invasion."

C. Procedure: "The mode of proceeding by which a legal right is enforced…"

D. If you wish to protect your substantive rights then you need to know procedure specially IRS procedure so you know how to counter it in order to protect yourself.

Pro bono publico /pròw bównow pəbləkow/. For the public good; for the welfare of the whole.

Probus et legalis homo /prówbəs èt ləgéyləs hówmow/. Lat. A good and lawful man. A phrase particularly applied to a juror or witness who was free from all exception, and competent in point of law to serve on juries. In the plural form: *probi et legales homines.*

Procedendo /pròwsədéndow/. Action wherein court of superior jurisdiction orders court of inferior jurisdiction to proceed to judgment but has no bearing on nature of judgment to be entered. State ex rel. Jacobs v. Municipal Court of Franklin County, 26 Ohio App.2d 113, 269 N.E.2d 629, 631, 55 O.O.2d 245. A writ by which a cause which has been removed from an inferior to a superior court by *certiorari* or otherwise is sent down again to the same court, *to be proceeded in* there, where it appears to the superior court that it was removed on insufficient grounds.

More commonly, a case returned to a lower court is said to be remanded to such court.

A writ *(procedendo ad judicium)* which issued out of the common-law jurisdiction of the court of chancery, when judges of any subordinate court delayed the parties for that they would not give judgment either on the one side or on the other, when they ought so to do. In such a case, a writ of *procedendo ad judicium* was awarded, commanding the inferior court in the sovereign's name to proceed to give judgment, but without specifying any particular judgment. It was the earliest remedy for the refusal or neglect of justice on the part of the courts. In re Press Printers & Publishers, C.C.A.N.J., 12 F.2d 660, 664.

A writ by which the commission of a justice of the peace is revived, after having been suspended. 1 Bl.Comm. 353.

Procedendo on aid prayer /pròwsədéndow òn éyd pré(yə)r/. If one pray in aid of the crown in real action, and aid be granted, it shall be awarded that he sue to the sovereign in chancery, and the justices in the common pleas shall stay until this writ of *procedendo de loquela* come to them. So, also, on a personal action.

Procedural due process. Those safeguards to one's liberty and property mandated by the 14th Amend., U.S.Const., such as the right to counsel appointed for one who is indigent, the right to a copy of a transcript, the right of confrontation; all of which are specifically provided for in the 6th Amendment and made applicable to the states' procedure by the 14th Amendment.

Central meaning of procedural due process is that parties whose rights are to be affected are entitled to be heard and, in order that they may enjoy that right, they must be notified. Parham v. Cortese, 407 U.S. 67, 92 S.Ct. 1983, 1994, 32 L.Ed.2d 556. Reasonable notice and opportunity to be heard and present any claim or defense are embodied in the term "procedural due process." In re Nelson, 78 N.M. 739, 437 P.2d 1008.

Procedural law. That which prescribes method of enforcing rights or obtaining redress for their invasion; machinery for carrying on procedural aspects of civil or criminal action; *e.g.* Rules of Civil, Criminal, and Appellate Procedure, as adopted by the Federal and most state courts. Barker v. St. Louis County, 340 Mo. 986, 104 S.W.2d 371, 377, 378, 379; Schultz v. Gosselink, 260 Iowa 115, 148 N.W.2d 434, 436. As a general rule, laws which fix duties, establish rights and responsibilities among and for persons, natural or otherwise, are "substantive laws" in character, while those which merely prescribe the manner in which such rights and responsibilities may be exercised and enforced in a court are "procedural laws". State ex rel. Blood v. Gibson Circuit Court, 239 Ind. 394, 157 N.E.2d 475, 478. See also **Procedure.**

Procedure. The mode of proceeding by which a legal right is enforced, as distinguished from the substantive law which gives or defines the right, and which, by means of the proceeding, the court is to administer; the machinery, as distinguished from its product. That which regulates the formal steps in an action or other judicial proceeding; a form, manner, and order of conducting suits or prosecutions. The judicial process for enforcing rights and duties recognized by substantive law and for justly administering redress for infraction of them. Sims v. United Pacific Ins. Co., D.C.Idaho, 51 F.Supp. 433, 435.

Procedure is machinery for carrying on suit including pleading, process, evidence and practice, whether in trial court or appellate court. Brooks v. Texas Emp. Ins. Ass'n, Tex.Civ.App., 358 S.W.2d 412, 414.

The law of procedure is what is commonly termed by jurists "adjective law" *(q.v.).*

See also **Procedural law.**

Proceeding. In a general sense, the form and manner of conducting juridical business before a court or judicial officer. Regular and orderly progress in form of law, including all possible steps in an action from its commencement to the execution of judgment. Term also refers to administrative proceedings before agencies, tribunals, bureaus, or the like.

An act which is done by the authority or direction of the court, agency, or tribunal, express or implied; an act necessary to be done in order to obtain a given end; a prescribed mode of action for carrying into effect a legal right. All the steps or measures adopted in the prosecution or defense of an action. Statter v. United States, C.C.A.Alaska, 66 F.2d 819, 822. The word may be used synonymously with "action" or "suit" to describe the entire course of an action at law or suit in equity from the issuance of the writ or filing of the complaint until the entry of a final judgment, or may be used to describe any act done by authority of a court of law and every step required to be taken in any cause by either party. The proceedings of a suit embrace *all* matters that occur in its progress judicially.

Term "proceeding" may refer not only to a complete remedy but also to a mere procedural step that is part of a larger action or special proceeding. Rooney v. Vermont Investment Corp., 10 Cal.3d 351, 110 Cal.Rptr. 353, 365, 515 P.2d 297. A "proceeding" includes action and special proceedings before judicial tribunals as well as proceedings pending before quasi-judicial officers and boards. State ex rel. Johnson v. Independent School Dist. No. 810, Wabasha County, 260 Minn. 237, 109 N.W.2d 596, 602. In a more particular sense, any application to a court of

Procedural Due Process

A. We are going to discuss only IRS procedure in this "VIP Dispatch".

B. When it comes to IRS procedure we want you to realize that the IRS has certain due process procedures that they are required to follow.

 1. One major problem is that too few people know what those procedures are including many of those who work for the IRS.

 2. This also applies to many of the people who we see running around the country espousing their Idiot Legal Arguments.

 a. We have people calling us everyday with their horror stories of what happened to them after trying to use one of those Idiot Legal Arguments.

C. What does the IRS and U.S. attorney have to do procedurally before they can take an average tax case to a Grand Jury.

 1. What type of investigation must be conducted?

 2. What forms must be filled out and distributed to all the proper parties?

 3. All those links must then be put together in their proper place in the chain of events for them to get to the actual Grand Jury.

 4. This chain of events is referred to as "Procedural Due Process".

 5. That chain they put together is only as strong as its weakest link.

 6. That means that the IRS and U.S. Attorneys procedures are only good if all requirements have been properly met.

 7. As you know we use FOIA request to find out if all the forms that they are required to fill out have indeed been complied and entered into your file with the proper computer codes.

 8. The more breaks you find in their procedural chain of events the better for you.

D. In the next section we have included a number of Procedural Statements so that you will have a better idea of exactly what Procedure refers to.

 1. We refer you to item 'J' in the next section.

a. We teach you how to look for those deviations from substantive legal rules.

2. Item 'K', helps you to realize that you want to scrutinize their procedure to find every mistake of procedure or law they make, itemizing each one so they can be used for your benefit.

E. Law schools have had "want to be attorneys" so busy chasing case law that they rarely ever look at the actual law itself. Why?

1. Because it cannot stand the slightest scrutiny.

2. When you bring up the actual law argument before a judge most of the ones we have seen will start screaming for case law on that issue.

 a. Many times there is no case law on many of those issues because no one has ever presented such an argument based on the actual law and its legislative history.

Procedural Statements

A. "Substantive" law creates, defines, and regulates rights as opposed to "adjective" or "procedural" law which provides the method of enforcing and protecting such rights, duties, and obligations as are created by substantive laws.

B. The creation of a right of action is "substantive", while the means or method of enforcement of the right is "procedural".

C. The statute dealing with production of papers by subpoena duces tecum and statute providing a penalty for failure to obey subpoena duces tecum, are largely, if not wholly, "procedural", designed in a proper case to have the documents in court when the cause comes up for trial.

D. The requirement of rule requiring a statement of the errors relied upon as the concluding paragraph of a statement of the case in the briefs is not "jurisdictional" but is "procedural" and is designed for the convenience of the court and counsel as conducive to orderly presentation of cases, and administration of justice.

E. "Procedural due process" means in the due course of legal proceedings, according to those rule and forms, which have been established, for the protection of private rights.

F. As relates to crimes, "procedural law" is that which provides or regulates steps by which one who violates criminal statute is punished.

G. As relates to crimes, "substantive law" is that which declares what acts are crimes and prescribes the punishment. "Procedural law" is that which provides or regulates the step by which one who violates a criminal statute is punished.

H. The "adjective law" or "procedural law" is that which provides a method of enforcing and protecting such duties, rights and obligations as are created by "substantive laws," and as applied to criminal prosecutions, "procedural law" included whatever is embraced by the terms pleading, evidence, and practice, and the "procedural law" relates to the legal rules

which direct the course of proceedings to bring parties into court and the course of the court after they are brought in.

I. As relates to crimes, "substantive law" is that which declares what acts are crimes and prescribes the punishment for committing them, and "procedural law" is that which provides or regulates steps by which one who violates a criminal statute is punished, and "criminal procedure" refers to pleading, evidence, and practice.

J. Where overruled decision deals with "procedural" or "adjective law", effect of overruling decision is prospective only, but where overruled decision deals with "substantive law", effect of overruling decision is retroactive. "Adjective" or "procedural law" is a method provided by law for aiding and protecting defined legal rights, procedure. "Substantive law" creates, defines, and regulates rights, as opposed to "adjective", or "procedural", or "remedial law", which prescribes method of enforcing rights or obtaining redress for their invasion. "Substantive law" relates to rights and duties giving rise to cause of action, while "procedural law" is machinery for carrying on the suit.

K. The method of trial of a defendant in a criminal case as in a civil case "procedural' and not "substantive", and in absence of a specific constitutional provision affecting the matter, may be regulated by rules of court.

L. In false arrest cases, the presumption that an arrest without warrant is unlawful is a "procedural presumption" which disappears when the evidence discloses the facts.

M. Under statute giving judicial council power to prescribe by rules for practice and procedure on appeal, a rule which takes away a vested right or which creates a right, such as right to appeal, is "substantive" not "procedural", but one which operates as a means of implementing an excise right is valid as a procedural rule.

N. "Practice" or "procedure" is the mode of proceeding by which a legal right is enforce; that which regulates the formal steps in an action or other judicial proceeding; a form, manner, and order of conducting suits or prosecutions.

O. "Procedure" is the judicial process for enforcing rights and duties recognized by substantive law and for justly administering remedy and redress for disregard or infraction of them.

P. "Procedure" is the mode of proceeding by which a legal right is enforced, as distinguished from the law, which gives or defines the right, and which, by means of a proceeding, the court is to administer; the machinery as distinguished from its product.

Q. Any amendment to a statute which either destroys a substantial right or creates a new right cannot be treated as a mere matter of "procedure", so as not to be within strict application of rule against construing legislation as retroactive.

R. "Procedure" is the machinery for carrying on the suit, including pleading, process, evidence, and practice, whether in the trial court or the appellate court, or in the processes by which causes are carried to appellate courts for review, or in laying the foundation for such review.

S. "Practice" and "procedure", within the meaning of rule that statutes affecting only the remedy or law of procedure ordinarily apply to actions thereafter regardless of when the right of accred, include the mode of proceeding and the formal steps by which a legal right is enforced as distinguished from the law which creates, defines, and protects rights.

T. The term "procedure" includes in its meaning whatever is embraced by the three technical terms "pleading", "evidence", and "practice." The word "practice" means those legal rules which direct the course of proceedings to bring parties into the court and the course of the court after they are brought in, and "evidence" as a part of procedure signifies those rules of law whereby it is determined what testimony should be admitted and what should be rejected in each case, and what is the weight to be given to the testimony admitted.

U. Manifestly the process of determining on appeal whether error was committed by the trial court during the trial of the causes and if so whether such error is prejudicial and therefore constitutes ground for reversal, is a matter of practice and procedure. Referring to the judicial construction given those terms as they are used in the law, it has been said that together and in a larger sense they include the mode of

proceeding by which a legal right is enforced, as distinguished from the substantive law which gives or declares the right; whereas, singly, the word "procedure" has been defined as the machinery for carrying on the suit, including pleading, process, evidence and practice, whether in the trial court or the appellate court, or in the processes by which causes are carried to the appellate court for review, or laying the foundation for such review, and the word "practice" is said to be the form, manner, or order of instituting or conducting suit or other judicial proceeding through its successive stage to the end in accordance with the rules and principles laid down by law or by the regulations and precedents of the court.

V. The term "procedure" includes those rules and forms applicable in the administration in the remedies available in cases of invasions of primary rights of individuals in courts or other lawfully constituted tribunals and agencies. Those rules include both pleading and practice, including all rules and forms, which govern the parties, their counsel, and the court throughout the progress of the case from the time of its initiation until final judgment and its execution. It includes the subject of the burden of proof and its allocation, and in appropriate cases its shifting from party to party during the trial.

IRS Notices

A. April 15th is the alleged deadline for some territorial, non-resident aliens, those with green cards and those who are involved in a government regulated activity to file some kind of individual income tax return and pay any so called tax allegedly owed.

B. During processing, the alleged return is checked for mathematical accuracy and the alleged tax due is compared against all amounts reported to that account.

C. If the IRS finds or thinks that there is any additional money owed they will send you a bill.

D. There are several important things you should know about collection notices and bills.

1. The IRS will charge you interest on any unpaid tax from the due date of the return until the date of payment.

2. The interest rate is determined every three months and is the Federal short-term rate plus 3 percent with it compounded daily.

3. If you self-assess yourself by filing some return but do not pay or pay, you will have to pay a late payment penalty of one-half of one percent of the tax owed for each month, or part of a month, that the tax remains unpaid from the due date, up to 25 percent.

 a. The one-half of one- percent rate increases to one percent if the tax remains unpaid 10 days after the IRS issues a Notice of Intent to Levy.

4. If you owe tax and don't file on time, the total late-payment penalty is usually five percent of the tax owed for each month, or part of a month, that your return is late and the tax is unpaid up to five months.

 a. The late file penalty continues at a half percent a month up to 25 percent on unpaid amounts.

 b. If your return is over 60 days late, the minimum penalty for late filing is the smaller of 100 dollars or 100 percent of the tax owed.

E. All this penalty and interest mumbo jumbo comes from the IRS's procedure that they will use against you. Sounds like they are real bad dudes, at least on the surface.

1. If one did not know better one could be led to believe that the IRS can actually access all that mumbo-jumbo stuff against average hard working Americans.

 a. FICTION, FICTION, FICTION

F. In order to defeat all that IRS mumbo-jumbo FICTION you have a number of substantive procedures that you can use in your behalf to protect your substantive rights and reverse what they try to do to you.

IRS Notice Procedures

A. We are including several pages of different types of Notices that the IRS sends out.

1. These are for your ready reference.

2. When you receive a Notice from the IRS instead of going into a panic go to this ready reference guide and look and see if we have it listed. Or you can go to the ADP 6209 Manual number 6 or the ADP System Code, number 218 on our literature list.

3. These are just a few of the documents that the IRS can create to us if they follow all the correct procedures.

B. We suggest you read section 9, Notice and Notice Codes, item 1 from the ADP 6209 Manual included in this section covering seven pages concerning the CP Notices 2 digit for IMF and 3 digit for a BMF.

1. Knowing that and having a $1.25 will in some places will get you a cup of coffee In other words, that argument is not going to get you very far. The actual letter and what process is used to create it and send it to you is what we you want to analyze.

 a. Did they, or did they not, follow proper procedure in sending out this letter to you and are you the one to whom they can send it?

 b. The IRS gets away with what they do, or fail to do because there are so few people who care about their substantive rights or who are clueless about what rights they have. After all as a prosecutor would say to the jury, Mr and Mrs. X new they had a duty to file and pay THEIR tax. OK IRS – which one? Because after all, "EVERYBODY KNOWS".

 c. Another one is, "I don't like paying taxes anymore then most of you but it is our duty as a U.S. citizen to support our country." Now when you hear that kind of statement doesn't it just choke you up and bring you to tears that anyone can actually be that damn stupid to make such an utterance?

 d. How about the one that goes like this, "taxes are what we pay to live in a free society." In other words if you are not following the second plank of the Communist Manifesto then you just can't be free.

e. Then there is one more where they say, "we must all pay our fair share." Pay our fair share to whom? Do Corporations pay their fair Share? You can't deduct your cost basis in your labor, can you?

f. The Grace Commission Report came to the startling conclusion that "Not one nickel of what is collected by the IRS concerning income taxes goes to pay for any actual service performed by the Federal Government but instead goes to service the DEBT." Now doesn't that just make you feel warm and fuzzy all over? Your labor pays interest on fiction debt?

C. We attended a meeting several years ago where a lady was to give a talk about doing way with the 1040 income tax.

1. Her big argument was that she was pushing for a flat tax. We might add that a number of our friends where there also.

2. We waited for the question period and asked the question, "How is the money collected under this flat tax going to be accounted for and where is it going to go?"

 a. Well, needless to say she said, "Well to the U.S. Government of course."

 b. She got an education that night – from us.

3. Whether it is a flat tax or a value added tax there will still be no reliable accounting of the moneys received, as was revealed in the 1996 GAO report presented in the September "VIP Dispatch". Nor will they be able to tell you where the moneys go.

 a. She like most other Americans ASSUME certain things to be true when, in actuality, the facts do not support their nice belief system.

D. After the seven-page section about CP notices we are going to go into some of the actual notice and letters that you may receive from the IRS for your education.

1. We want to help you expose the IRS's incorrect procedures and help you follow proper procedures in protecting your substantive rights.

2. We want to assist you to follow the correct procedures based on the actual Statutes, Regulations, the Internal Revenue Manual, and Internal Revenue Handbook. The Internal Revenue Handbook has 37,000 pages. Of course "EVERBODY KNOWS" all of them – right?

Section 9. Notices and Notice Codes

1 General

Computer generated notices and letters of inquiry are mailed to taxpayers in connection with tax returns for BMF, IMF, and IRAF. Computer paragraph (CP) numbers (3-digit number for BMF AND IRAF, 2-digit number for IMF) are located in the upper right corner of the notices and letters.

The following pages which list CP numbers in ascending sequence should serve as a convenient source of reference to assist you in answering questions about ADP notices and letters. (Reference IRM 37.60-BMF; 37.163-IMF)

2 IMF Notices

A CAF indicator is printed on IMF taxpayer notices when this indicator is posted to a taxpayer's account. The Service Center has instructions for preparing photocopies of these notices for mailing to the taxpayer's agent.

The following computer notices are sent to taxpayers in connection with IMF returns, or are used internally.

CP No.	Explanation
01*	Issued in early January 1995/March 1996 to remind a taxpayer that the second/third installment payment is due April 15, 1995/April 15, 1996. For the deferred additional taxes for 1993. Obra '93 *(Obsolete 1/1/1997)
02	Issued to inform the taxpayer when all or a portion of the ES penalty has been waived (199212-199311).
04	Issued to inform taxpayer that the portion of ES penalty attributable to wages was waived (18712-198811).
06	Issued to inform the taxpayer that they may be eligible for the Global On-line Electronic Filing Program
09	Issued to inform taxpayer with qualifying child(ren) of potential EIC.
10	Issued as a first notice to inform a taxpayer that there was an error in computation of his/ informs the taxpayer of the amount of credits actually applied to his/her next taxable more. (Combines CP 12 and CP 45)
11/12 13	Issued as a first notice to inform a taxpayer that there was an error in computation on his/her individual income tax return and: CP 11— CP 12— CP 13—Even Balance
11A,12A & 13A	Issued as a first notice to inform a taxpayer that there was an error in computation on his/her individual income tax return and which was the result of EIC being disallowed due to SSN/TIN issues and:

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CP No.	Explanation
	CP 13A—Even Balance (CP11A, 12A and 13A are set instead of CP11, 12 and 13, respectively, if at least one of the math errors present is for a taxpayer notice code in the "700 series")
14	Issued as a first notice to inform a taxpayer of a balance due when there is no math error.
15	Issued to inform the taxpayer that a Civil Penalty has been assessed.
15B	Issued for MFT 55 to inform taxpayer of tax periods (up to 25) upon which Trust Fund Recovery penalty is based.
16	Issued as a first notice to inform the taxpayer that: 1) There was an error in computation on his/her Individual Income Tax Return, and, 2) 3) Part of that overpayment was used to offset another Individual Tax Liability.
17	Issued to inform a taxpayer of a refund caused by the release of an excess estimated tax credit freeze.
18	Issued to advise the taxpayer that a portion of his/her refund is being withheld due to an unallowable item on the return.
19	Issued to inform a taxpayer that there was one or more unallowable item(s) on his/her return and that there is a balance due.
20	Issued to inform a taxpayer that there was one or more unallowable item(s) on his/her
21	These are all Examination and DP Tax Adjustment notices resulting in a balance due of
22	more when the account was not in TDA status prior to the adjustment or when the account is going to TDA status in the current cycle.
23/24/25	Issued to inform a taxpayer that the estimated tax credits claimed on his/her return do not agree with the credits posted to the IMF and there is a difference. CP 23— CP 24— CP 25—
26	Hold on overpayment - Revenue Protection strategy.
27	Issued to inform low income taxpayer of potential EIC.
29	Issued to a taxpayer to request information pertaining to the original return filed when an amended return is received and there is no record of the original on master file.
30	Issued to inform the taxpayer that part or all of his/her overpayment has been applied to an ES Penalty.
30A	Issued to inform the taxpayer that we have recomputed ES Tax Penalty and part or all of prepaid ES penalty is refunding.
31	Issued to inform the taxpayer that his/her refund check was returned as undelivered, and requests the taxpayer to supply IRS with his/her correct address.
32A	Issued to inform the taxpayer that a new refund check was issued. The previous refund has not been cashed within one year of date issued.

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CP No.	Explanation
33	Error Delay Notice—Issued to inform the taxpayer that there has been a delay in his/her refund. No math error.
35	Issued when a prompt assessment (Doc code 51) posts to a module with TC 150 already posted.
36	Issued each time a return, or a 290 transaction with a DLN block number between 200 and 299 (Form 1040X) posts to a module with a return with transaction code 150, 976 or 977 already posted.
36A	Duplicate Filing Condition/SFR
36D	This notice is generated whenever TC 150, doc code 05, 07, 09, or 11, posts with blocking 920-929 indicating that Form 8379, Injured Spouse Claim and Allocation, was filed. Original return and claim are sent to IMF Adjustments Branch for processing.
37	This notice is generated whenever a Form 2363 is input to the IMF to change a social security number or name control (or by a generated resequencing as a result of SSN revalidation) but the account fails to properly resequence because the resequence transaction matches another account on SSN but fails to match on any name control. The account attempting to resequence is restored to its original location on IMF.
38	Service Center Notice issued for the DATC/ASTA project.
39	Issued to inform the taxpayer that an overpayment from a secondary SSN account has been applied to his/her balance due.
41	Issued to notify the Service Center that an unresolved manual refund freeze has been present on the master file for more than 7 cycles.
42	Issued to inform the taxpayer that an overpayment from his/her account has been used to offset a balance due in a secondary SSN account.
43	This notice is issued to notify the Service Center of the account controlling name line in order that a name change to the tax year prior to the latest year on file may be input correctly and cause the account to properly resequence.
44	To notify the S.C. that an IMF overpayment is available for application to a non-IMF outstanding liability. It is also used (rarely) to notify the Service Center of an available overpayment for use in a pending Offer-in-Compromise case. Issued when there is a from refunding pending application of overpayment) is present in the entity module.
45	Issued to inform a taxpayer of the amount of credits actually applied to his/her next tax or more.
45S	Issued to inform a taxpayer that an additional amount has been credited to their next year's estimated tax.
46	Issued to notify the Service Center that a refund is due on an "L" or "W" coded income tax return, and there is no second name for that return on the master file.
47	Used on or before 12/11/1999 to notify the taxpayer that an overpayment was applied to a past due child support or Federal agency debt. The name, address, and phone number of the agency to contact were also provided. **Note**: Beginning 1/27/1999, FMS will issue offset notices for refunds offset through TOP. These notices correspond with the posting of a TC 898 on the master file.
48	Name and/or address change.
49	Issued to notify a taxpayer that an IMF overpayment has been applied to an unpaid IMF liability or liabilities.

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CP No.	Explanation
51A, 51B & 51C	Issued to notify a taxpayer of the IRS computation of tax and account balance on a non-computed Form 1040EZ, 1040 and 1040A.
52	Issued to inform a taxpayer that the self-employment earnings claimed on his/her return have been reduced by $100 or more, or whenever earnings are reduced below $400 regardless of the amount of the reduction.
53	Issued to notify taxpayer that an electronic fund transfer is not honored.
54	Issued when a return or declaration in either full or abbreviated entity format posts to the invalid segment of the IMF.
55	Issued to inform the Service Center that a transaction for a Form 5344 adjustment posts (DC47) with a DLN in a 790-799 or 900-999 blocking series to cause association of the original return with an adjustment made utilizing a taxpayers retained copy of a return. Also generated on Forms 1040X in blocking series 900-909 (TC294/295), 960-969 (TC290), 980-989 (TC290) and MFT55 block 530-539 (TC290). Does not generate on civil penalty modules for blocking series 530-539, 960-969 and 980-989 if prior control DLN is 59X. For additional blocking series information refer to Chapter 4.
56	Issued to remind the taxpayer that their invalid number is still present.
57	Issued to notify the taxpayer that they have defaulted on a direct debit installment agreement due to insufficient funds.
58	Issued to request information concerning spouse's SSN. This notice is generated whenever the spouse's SSN is missing and the FS Code is 2, 6, or 7.
59	Issued to request information concerning validity of spouse's SSN.
60	Issued to advise taxpayer of a credit reversal adjustment to the account. (IMF)
62	Issued when posting the credit portion of doc code 34 containing a Correspondence Received Date.
64	Notice of Tentative Carryback Allowance.
71	Issued to remind the taxpayer of a balance of tax due. Notice is generated for (1) mod
71A	Issued annually to remind IMF taxpayers of a balance due on a module that has been in Currently Not Collectible status for at least 65 cycles with closing code 12 or 24-32, 39.
71C	Issued semi-annually for all TDA's in the queue that have been in status 24 for at least one year. Will reflect SCCB return addresses and ACS telephone numbers.
71S	Issued to all recipients of CP71 who have not full-paid their accounts. TP will use this notice to request an installment.
83	Issued to solicit the taxpayer's agreement to the proposed reassessment of the abated tax due to a math error.
86	Issued when revenue receipt is input to a module restricted from generating interest or FTP.
88	Provides a means for resolving accounts on the invalid segment of the Individual Master File.
93	Notice is generated when a module contains a duplicate filing condition and an unreversed TC 420 or TC 576.

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CP No.	Explanation
96	Used to journalize the amount of a transfer out and to prepare the transfer document. Generated whenever a TC 400 posts to a tax module.
97	Service Center notice issued when TC 841 posts to a module when TC971 AC 11.
98	Generated to notify the Service Center that the return (TC 150) has posted to a module in which such notification was previously requested.
531	Backup Withholding Alert.
538	Backup Withholding Notification Balance Due.
539	Final Backup Withholding Notification Balance Due.
540	Backup Withholding Notification Return Delinquencies.
541	Final Backup Withholding Notification Return Delinquencies.
542	Notice to Payee Re: Stop Backup Withholding.
543	Notice to Payer to Start Backup Withholding.
544	Notice to Payee to Stop Backup Withholding.
545	Notice to Payer to Stop Backup Withholding.
546	Special Backup Withholding Listing

CP Notices 538-545 have Spanish translations in the 6xx Series

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3 *IRP Notices*

No.	Explanation
2000	Issued to taxpayer to request verification for unreported income, payments, or credits.
2001	Issued to request missing Payee TIN or correction to invalid Payee TIN on schedule K-1.
2005	Computer generated letter to taxpayer acknowledging the receipt of information concerning their tax liability and closing their account (Underreporter issue).
2006	Computer generated letter to taxpayer acknowledging the receipt of information concerning their tax liability.
2011	Issued to taxpayer request name and SSN information.
2015	Issued to inform taxpayer of corrections made.
2100A	Issued to payers who filed less than 51 information returns with missing or incorrect TINs.
2100	Issued to payers who filed more than 50 information returns with missing or incorrect TINs.
2501	Initial contact notice to resolve discrepancy between Income, Credits and/or deductions claimed on return and those reported by payers on information returns.
3000	Request for verification of Social Security Number on Form W-4 (Form 6379).

4 *BMF Notices*

The following computer generated notices are sent to taxpayers in connection with BMF returns.

CP No.	Explanation
101	Math error on Form 940 or 940EZ resulting in a net balance due.
102	Math error on Form 941, 942, 943, or 945 resulting in a net balance due.
[redacted]	
103	Math error on Form CT-1 resulting in a net balance due.
104	Math error on Form 720 resulting in a net balance due.
105	Math error on Form 11C, 706, 709, 2290 or 730 resulting in a net balance due.
106	Math error on Form 990PF, 5227 or 4720 resulting in a net balance due.
107	Math error on Form 1042 resulting in a net balance due.
108	An FTD coupon received that was incomplete.
109	Explaining that the return was delayed in processing because of the Employer Identification Number or name shown on the return.
111	Math error on Form 940 or 940EZ resulting in a net overpayment.
112	Math error on Form 941, 942 or 943 resulting in a net overpayment.
113	Math error on Form CT-1 resulting in a net overpayment.
114	Math error on Form 720 resulting in a net overpayment.
115	Math error on Form 11C, 706, 709, 2290 or 730 resulting in a net overpayment.

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CP No.	Explanation
396	To be used to journalize the amount of a transfer-out, and to prepare the transfer Document, F 514B.

7 *IDRS Notices and Forms (6xx Series-Spanish Notices)*

Reference IRM 3(27)(68)0

Note: First notice is generated by Master File. Subsequent notices are generated by IDRS. (See section 11 exhibits for normal cycling of IDRS notices.) 6XX series notices are in Spanish.

Number	Name or Description
403	1st Notice—EPMF Return Delinquency
406	4th Notice—EPMF Return Delinquency
411	1st Notice—EOMF Return Delinquency
412	2nd Notice—EOMF Return Delinquency
413	3rd Notice—EOMF Return Delinquency
414	4th Notice—EOMF Return Delinquency
501/601	1st Notice—Balance
503/603	3rd Notice—Balance Due
504/604	4th Notice—Balance Due
505	TDA
512	Levy Source Listing
515/615	1st Notice—Return Delinquency
617	3rd Notice—Return Delinquency
518/618	4th Notice—Return Delinquency
521/621	Installment Agreement Reminder Notice
522/622	Review Financial Condition
523/623	Installment Agreement Default Notice
525	DAIP
533	Combat Status Verification
534	Combat Suspension Term.
535	Military Suspension Term.
536	Collateral Suspension Term.
527	Trust Fund Recovery Penalty Assessment Statute Notice
529	Collection Statute about to Expire
528	Satisfied Module with Lien File Notice
564	CP 564 Notice to Taxpayer that undeliverable refund check reissued(F5511)
565	ITIN Assignment Notice
566A	ITIN Suspension Notice
566B	ITIN Suspension Notice - Follow-up
567A	ITIN - Rejection Notice - Applicant has a SSN
567B	ITIN - Rejection Notice - Applicant has an ITIN
567C	ITIN - Rejection Notice - Applicant failed to respond to suspension notices

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Guide to Understanding the Differences between Official IRS Documents

A. Official documents published by the Internal Revenue Service as revenue rulings, revenue procedures, notices, announcements, and news releases provide information and guidance for taxpayers, Service personnel, and others concerned. Their purpose is to help Service personnel apply the tax laws correctly and uniformly and to help taxpayers comply voluntarily with the tax laws. They are issued only by the National Office and published in the weekly Internal Revenue Bulletin (Bulletin, or IRB).

1. Publication in the Bulletin provides an orderly system for dissemination of information and promotes effective communication with the tax community. All published documents, except announcements and news releases, are reprinted in the Cumulative Bulletin.

B. "Revenue Ruling" Defined

1. A revenue ruling is an official interpretation by the Service of the Internal Revenue Code, related statutes, tax treaties, and regulations. It is the conclusion of the Service on how the law is applied to a specific set of facts. A revenue ruling states the Service position on an issue. Revenue rulings are issued only by the National Office and are published in the Internal Revenue Bulletin for the information and guidance of taxpayers, Service personnel, and others concerned.

2. Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. Revenue rulings and procedures reported in the Bulletin do not have the force and the effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases.

3. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

C. "Revenue Procedure" Defined

1. A revenue procedure is an official statement of a procedure that affects the rights or duties of taxpayers or other members of the public under the Internal Revenue Code, related statutes, tax treaties, and regulations that should be a matter of public knowledge. They are issued

only by the National Office and published in the Internal Revenue Bulletin for the information and guidance of taxpayers, Service personnel, and others concerned.

2. When revenue procedures reflect the contents of internal management documents, it is Service practice to publish as much of the internal management document as is necessary for an understanding of the procedure.

3. Rulings and procedures reported in the Bulletin do not have the force and the effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases.

4. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

D. Distinction Between Revenue Rulings and Revenue Procedures

1. Revenue rulings and revenue procedures are alike in that both are issued only by the National Office and both are for the information and guidance of taxpayers, Service personnel, and others concerned. One numerical series is used for revenue rulings and another is used for revenue procedures, and whether an item is published as a revenue ruling or revenue procedure depends on its content. Except in rare circumstances, an issuance in one series should not be used to modify, revoke, etc., an issuance in the other series. However, an issuance in one series may contain a reference to the other series for the purpose of relating an internal practice or procedure to a specific Service position. An announcement or notice should never be used to modify, revoke, etc., a revenue ruling or revenue procedure.

2. Generally, a revenue ruling states a Service position, whereas a revenue procedure provides return filing or other instructions concerning the Service position. For example, a revenue ruling holds that taxpayers may deduct certain automobile expenses, and a revenue procedure provides that taxpayers entitled to deduct these automobile expenses may compute them by applying certain mileage rates in lieu of determining actual operating expenses.

3. The revenue ruling series is used to set forth statements of Service position or to interpret the law with respect to a particular tax issue. The revenue procedure series is used to announce statements of procedure or general instructional information. A holding on a substantive tax issue to the effect that taxpayers must meet some procedural requirement is a statement of Service position and is not the proper subject for a revenue procedure.

4. A revenue ruling does not ordinarily include a statement of Service practice or procedure, and a revenue procedure does not ordinarily include a statement of Service position on a substantive tax issue. When a matter involves both a statement of Service position on a substantive tax issue and a statement of practice or procedure, it normally requires the

issuance of both a revenue ruling and a revenue procedure. They may be issued simultaneously and should be cross-referenced.

5. Rulings and procedures reported in the Bulletin do not have the force and the effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

E. "Notice" Defined

1. A notice is a public pronouncement that may contain guidance that involves substantive interpretations of the Code or other provisions of the law. Notices may also be used for materials that would be appropriate for an announcement but for the need to preserve the guidance in the Cumulative Bulletin. For example, notices can be used to relate what regulations will say in situations where the regulations may not be published in the immediate future. Notices are published in the Bulletin and are included in the Cumulative Bulletin.

2. Under Revenue Ruling 90-91, "for purposes of applying the substantial understatement portion of the accuracy-related penalty,"... "all "notices and announcements issued by the Service and published in the Internal Revenue Bulletin are considered authority and may be relied upon to the same extent as a revenue ruling or revenue procedure."

3. The following topics comprise most of the "Notices" issued by the IRS:

 - Weighted average interest rate update
 - Inflation adjustment factors
 - "Differential Earnings Rates"
 - Changes to IRS Regulations
 - Presidentially Declared Disaster Areas
 - Requesting public comments, or scheduling public hearings on proposed changes to Regulations, Rulings, Procedures, etc.

F. "Announcement" Defined

1. An announcement is a public pronouncement that has only immediate or short-term value. For example, announcements can be used to summarize the law or regulations without making any substantive interpretation; to state what regulations will say when the regulations are certain to be published in the immediate future; or to notify taxpayers of the existence of an election or an approaching deadline for making an election. Because they only have immediate or short-term value they are not included in the Cumulative Bulletin.

2. Under Revenue Ruling 90-91, "for purposes of applying the substantial understatement portion of the accuracy-related penalty,"... "all "notices and announcements issued by the Service and published in the Internal Revenue Bulletin are considered authority and may be relied upon to the same extent as a revenue ruling or revenue procedure."

3. The following two categories comprise most of the "Announcements" issued by the IRS:

 - Lists of organizations now classified as private foundations
 - Names of organizations that no longer qualify as organizations described in Code Section 170(c)(2), under which contributions are are deductible by contributors.

4. You will also find that "Announcements" are issued to provide information relating to:

 - The availability of new, revised, or corrected forms, publications, instructions, or official IRS documents, such as Revenue Procedures, Regulations, and Treasury Decisions.
 - Guidance for completing tax forms, worksheets, or complying with regulations or procedures.
 - New or revised, or proposed administrative procedures; notices of proposed rule-making.
 - Procedures dealing with electronic filing of tax forms, and information reporting forms on electronic media.
 - Other items of general interest, such as: the standard mileage rates, seminar dates, settlement initiatives, etc.

G. "Regulations"

1. Regulations are the IRS Commissioner's rules, approved by the Secretary of the Treasury, or the Secretary's delegate, for the application and administration of the Internal Revenue laws. The purpose of regulations is to provide taxpayers, their representatives, and Service personnel with rules of general application so they may clearly understand the taxpayer's rights and duties under the law.

2. Regulations are promulgated by publishing in the Federal Register, and usually are published in the weekly Internal Revenue Bulletin. All persons concerned are, by reason of publication in the Federal Register, given notice of the official rules of the Department of the Treasury for the administration, application, and enforcement of the Internal Revenue laws.

3. In some cases the law requires that regulations be issued with respect to specific matters; in all other cases regulations are authorized by law to supply such detail concerning the administration of the provision of law and its interpretation as is appropriate to carry out the statutory enactment.

4. Regulations may be proposed, temporary, or final. Temporary or final regulations carry the approval of the Treasury Dept. and are issued as Treasury Decisions. Temporary regs may be combined with final regs in the same Treasury Decision, but they may not be combined in the same Regulations Section. Temporary regs are designated with a "T" as the final character in the section number, and the word "temporary" at the end of the section heading.

5. Final regulations carry the force and effect of law. Proposed regulations are the Service's position.

H. "Treasury Decisions"

1. Treasury Decisions are either temporary or final Regulations that have been approved by the Department of the Treasury after submission from the IRS. (Proposed regulations are not approved by the Treasury Dept.)

I. "News Releases"

1. Although the Bulletin is the authoritative instrument of the Commissioner for publishing revenue rulings, revenue procedures, notices, and announcements of the Service and for making announcements of general interest, under special circumstances, it is frequently necessary to release such information directly to the news media. A news release may be appropriate in those situations in which there is a significant need to alert the general news media (as distinguished from the commercial "tax services" and the financial, professional, and trade publications that normally disseminate information published in the Bulletin).

2. The issuance of a news release is, however, supplemental to, and not in lieu of, publication in the Bulletin. News releases are nontechnical documents targeted at the nonpractitioner taxpayer public. A news release is appropriate if the matter is likely to be covered in a major newspaper. Because news releases are, in effect, proposed articles for these newspapers to run, technical discussion is kept to a minimum.

3. News releases are disseminated by IRS's Public Affairs Division to the news media, but are not published in the Bulletin.

Notice of Penalty Charge

A. You have been charged a penalty under section 6702 of the IRC for filing a frivolous return. Exhibit A, 1 of 2.

1. WHAT CAN YOU DO PROCEDURALLY WHEN YOU GET ONE OF THESE NOTICES?

2. At item (1) top right hand corner it says form: CVL PEN.

 a. CVL PEN is not a "form"

3. At item (2) Notice of Penalty Charge, so this is a notice where is the actual bill?

 a. A notice has no force and effect of Law.

4. Item (3) 6702 of the IRC Exhibit B, 1 of 2 is the IRC section for Frivolous income tax return but when we go to the parallel table of authorities it takes us to 27 CFR part 70, not title 26 Exhibit B, 2 of 2.

5. Item (4) 666, Exhibit C, 1 of 2, comes from the ADP 6209, Section 8. Master file codes and Exhibit C, 2 of 2, at the top of the page is the TC 666.

6. Item (5) Penalty Assessment, $500.00.

 a. This is were the rubber meets the road

 b. Several years ago we were lucky enough to get our hands on a big thick IRS Penalty Manual which is Item # 8 on our literature list.

 c. Now if you have this manual, or if you order it, like most of the other IRS manuals, we encourage you to read it from the back -forward.

 d. We learned years ago to read these IRS Manuals by starting in the back because they are written in such a way that they will confuse you if you start at the front, just like the Internal Revenue Code and the CFR's.

 e. The IRS Penalty Manual tells what the IRS has to do procedurally before they can assess and lawfully collect an actual penalty from you. They have a number of forms they are supposed to fill out and hoops to jump through.

 f. Could this be their reason for only sending you a Notice instead of an actual bill?

g. There are actually four forms that are supposed to be filled out and put into your file before they can require you to send them any $500.00 frivolous penalty.

h. Nor can they just go out and steal $500.00 from your bank account or levy your pay check at work without first creating four documents.

B. Those Four Documents are:

1. Non-Master file
2. Non-Master File Assessment Voucher
3. Form 3198
4. Form 8278

C. Where do you find out all this information we just gave you?

1. Why out of the IRS's own Penalty Manual of course, which is # 8 on our literature list.

D. In this section we provide the FOIA requests for these four items with Exhibits.

1. A number of those who get induced into filing a ZERO return get hit with this $500.00 charge.
2. You would address these four FOIA requests to your local Disclosure Officer.
3. Also send a set to the IRS address that is on the civil penalty form.
4. We have not had anyone who has received any of these items on those four FOIA requests back from the Disclosure Office.
 a. They will respond to you that there are no documents responsive to your request.
 b. That admits that the IRS failed to follow Due Process.
5. Those who have sent in these forms in a very timely manner is that they have NOT had that $500.00 stolen from them.

Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501-0010

Date of this notice: JUNE 17, 2002
Taxpayer Identifying Number
(1) Form: CVL PEN Tax Period: DEC. 31, 1998

For assistance you may call us at:
1-800-829-1040

CALLER ID: 757426

(2) NOTICE OF PENALTY CHARGE (4) 666

YOU HAVE BEEN CHARGED A PENALTY UNDER SECTION 6702 OF THE INTERNAL REVENUE CODE FOR FILING A FRIVOLOUS RETURN. (3)

TAX STATEMENT

PRIOR BALANCE	$.00
(5) PENALTY ASSESSMENT	500.00
INTEREST CHARGED	.00
BAD CHECK PENALTY	.00
BALANCE DUE	$500.00

WE CHARGED YOU A PENALTY OF $500 FOR FILING A TAX RETURN THAT CONTAINED FRIVOLOUS ARGUMENTS TO REDUCE TAXES OR DELAY COLLECTION OF TAXES. THE DEDUCTION YOU CLAIMED DOESN'T HAVE A LEGAL BASIS, SO IT REPRESENTS A FRIVOLOUS POSITION.

IF YOU WANT US TO REMOVE OR REDUCE ANY OF THE PENALTIES WE CHARGED, YOU MUST PAY THE ENTIRE PENALTY AND FILE A CLAIM FOR A REFUND ON FORM 843, CLAIM FOR REFUND AND REQUEST FOR ABATEMENT, BY JULY 17, 2002. IF THE PENALTY IS ON A RETURN THAT YOU FILED BEFORE 1990, YOU ONLY NEED TO PAY 15% OF THE PENALTY BEFORE YOU FILE A CLAIM FOR REFUND. FORM 843 IS AVAILABLE IN MOST IRS OFFICES, OR YOU CAN ORDER ONE BY CALLING TOLL-FREE 1-800-829-3676.

IF WE DENY YOUR CLAIM, YOU MAY FILE A SUIT IN THE UNITED STATES DISTRICT COURT OR CLAIMS COURT WITHIN 30 DAYS AFTER THE DATE WE DENIED YOUR CLAIM OR WITHIN SIX MONTHS AND 30 DAYS AFTER THE DATE YOU FILED YOUR CLAIM, WHICHEVER IS EARLIER.

IF YOU DON'T FILE A CLAIM OR A SUIT WITHIN THE TIME LIMITS, YOU MUST PAY THE FULL AMOUNT SHOWN.

(6)

Exhibit A 1 of 2

MEMPHIS SERVICE CENTER TAX PERIOD: DEC. 31, 1998

URN THIS PART TO US WITH YOUR CHECK OR INQUIRY
R TELEPHONE NUMBER BEST TIME TO CALL
) -

AMOUNT YOU OWE.....$500.0
LESS PAYMENTS NOT INCLUDED. $_____
PAY ADJUSTED AMOUNT..... $_____

666 DLN ↓

00223 29254-550-52007-2

INTERNAL REVENUE SERVICE
MEMPHIS, TN 37501-0010

Exhibit A 2 of 2

Sec. 6702. - Frivolous income tax return

(a) Civil penalty

If -

(1)

any individual files what purports to be a return of the tax imposed by subtitle A but which -

(A)

does not contain information on which the substantial correctness of the self-assessment may be judged, or

(B)

contains information that on its face indicates that the self-assessment is substantially incorrect; and

(2)

the conduct referred to in paragraph (1) is due to -

(A)

a position which is frivolous, or

(B)

a desire (which appears on the purported return) to delay or impede the administration of Federal income tax laws, then such individual shall pay a penalty of $500.

(b) Penalty in addition to other penalties

The penalty imposed by subsection (a) shall be in addition to any other penalty provided by law.

Exhibit B1of2

Parallel authorities for 26 USC 6702 (from CFR)

[NB: because this service is automated, and the information it uses relatively volatile, this listing may not be complete and is presented for reference only. You may want to consult the House of Representatives parallel table of authorities for a complete listing.]

- There appear to be no parallel authorities in CFR for this section (26 USC 6702).

Exhibit B 2 of 2

Section 8. Master File Codes

1 *Transaction Codes*

Reference IRM 3(27)(68)0

Transaction Codes (TC) consist of three digits. They are used to identify a transaction being processed and to maintain a history of actions posted to a taxpayer's account on the Master File. Every transaction processed by ADP must contain a Transaction Code to maintain Accounting Controls of debits and credits, to cause the computer at MCC to post the transaction on the Master File, to permit compilation of reports, and to identify the transaction when a transcript is extracted from the Master File. Transaction codes that are unique to IDRS are also included.

Many BMF and IMF Transaction Codes will not be used for IRAF. Also, the definitions of several transaction codes are necessarily changed since there will be no resequencing, offsetting, or computer generated interest. In addition, all refunds will be scheduled manually with the refunds posted to the IRAF using TC 840.

Refer to IRM 3(27)(68)0 for obsolete transaction codes.

Refer to Section 13.06 for pending transaction and merged related codes.

Reversal Codes

An "R" following the transaction code indicates the transaction has been reversed.

Payment or penalty transaction codes with reversal code "3" which are NOT LISTED in this section are actually reversal code "0" transactions. For programming purposes, the "0" has been converted to "3" to indicate the original payment or penalty transactions (or portion of it) which has been reversed. However, for account analysis purposes, the "3" reversal code should be considered as "0".

All transaction codes currently in use are listed on the following pages. Abbreviations used under the heading FILE are as follows: IMF "I", BMF "B", EPMF "E", IRAF "A", and PMF "P". EPMF may be shown twice for certain entity TC. For doc. code 63, they are applied to the entity module; for doc. code 64, applied to the plan data module.

Trans Code	DR/CR	File	Title	Valid Doc. Code	Remarks
000		I/B/E	Establish an Account	BMF: 04, 63, 80, 81 IMF: 63 EPMF: 04, 63 IRAF: 63	Adds a new taxpayer entity to the applicable Master File. IMF— Establishes Scrambled SSN Indicator. TC 000 with DLN block/serial overlay of 99999 is computer generated from joint return with CCC'F to create an account for the spouse.
		E	Establish a Plan	64	Establish a Plan Data module.

Exhibit C 1 of 2

Trans Code	DR/CR	File	Title	Valid Doc. Code	Remarks
666	Credit (NPJ)	I	Estimated Tax Credit Transfer In	Generated Transaction	When taxpayer claims more ES credits than are posted in tax module, settlement is frozen and a TC 667 is generated and resequenced to search the spouse's tax module. TC 666 represents the amount of ES credits transferred-in from the spouse's module (may be zero if none available or spouse's account is not found) and freeze is released. Also, credits to a deceased taxpayer's spouse's account. (Julian 999) Initialized when a CCC "F" return posts requesting credit elect.
667	Debit (NPJ)	I	Estimated Tax Debit Transfer Out	Generated Transaction	Debit transaction representing amount of ES Credits transferred to a spouse's account. Release Excess ES Credit Freeze.
670	Credit (PJ)	I/B/A	Subsequent Payment	All: 17, 18, 19, 24, 58 I/B: 34	If return has posted, credits the Tax Module with payment on account. If return has not posted, credits the Tax Module with prepayment on account. See UPC 198, and UPC 305. May carry a Designated Payment Code (DPC) (See section 11.11) Processing of TC 670 with secondary TC 460 use doc code 19.
671	Debit (PJ)	I/B/A	Subsequent Payment Check dishonored	19, 24, 58, 87	Records a dishonored check issued as a subsequent payment. IMF/BMF/IRAF: If not accompanied by secondary TC 280, TC 286 is generated, except for blocking series 800-899 (E.F.T. Payments). **Note**: For MFT 04, only valid for tax periods subsequent to 199412 not valid with doc code 34.
672	Debit (PJ)	I/B/A	Correction of 670 Processed In Error	All: 24 I/B: 34	Reverses a 670 in whole or in part by debiting the module.**Note**: For MFT 04, only valid for tax periods subsequent to 199412, tax period must end in '12', not valid with doc code 34.
673					Input of a TC 672 Changes an existing TC 670 to TC 673.
678	Credit (PJ)	B	Credits for Treasury Bonds	17, 24, 58	Credits Tax Module for amount of estimated tax paid by Treasury Bonds. Applies only to Estate Tax.
679	Debit (PJ)	B	Reversal of Credits for Treasury Bonds	24, 58	Reverses TC 678 in whole or in part by debiting the module.

Exhibit C 2of2

FOIA request concerning the NMF

A. The FOIA request for a NMF can pertain to a IMF or BMF.

B. When you do a FOIA request in this section make sure it is customized for either an IMF or a BMF.

C. Triple check your FOIA request to make sure that it's filled out correctly.

1. If it is for an IMF make sure all fill in items pertain to an IMF type of request. Check that your name and your SSN are in all the correct places, and that it is dated.

2. Treat the BMF request in the same manner but use the entity name with the EIN in all the correct places. Also, make sure you have the date on it.

D. If you, or the entity have not received a CP-504 or a CP-519 then you probably do not have a NMF (exhibit A from IRM 676).

E. If the Disclosure Officer returns your FOIA request, he will send a form letter telling you why. Just correct your FOIA request and send it back in again. Do not let anything or anyone sidetrack you from doing your FOIA request.

F. This FOIA process is your key to unlocking the IRS's "BIG DARK CHEST OF SECRETS," they are hiding from you.

FREEDOM OF INFORMATION ACT REQUEST

TO:
Disclosure Officer
Internal Revenue Service
(your local IRS district address)
(your local IRS district address)

FROM: (your name or entity name)
addr1
addr2

Account # (SS# or EIN#)

Dear Disclosure Officer:

1. This is a request under the Freedom of Information Act, 5 USC 552, or regulations thereunder. This is my firm promise to pay fees and costs for locating and duplicating the records requested below, ultimately determined in accordance with 26 CFR 601.702 (f).

2. If some of this request is exempt from release, please furnish me with those portions reasonable segregable. I am waiving personal inspection of the requested records.

3. This request pertains to the years:

4. BACKGROUND: **Exhibit A**: Form: CVL PEN; **Exhibit B**: IRM (20)(10)91 – (20)(10)(10)1; **Exhibit C**: Official Internal Revenue Service Non-Master File Transcript.

5. Please send me a copy of the Non Master file and Comments Field maintained in a System of Records known as Integrated Data Retrieval System / IRS 34.018 which pertain to the above referenced SS# or EIN#.

6. Please certify all documents with the Form 2866, certificate of official record. If there are no specific documents pertaining to this request, certify your response with Form 3050, certificate of lack of records.

DATED:

Respectfully,

name, Qualified Requester

AFFIDAVIT / DECLARATION

COUNTY OF _____)
) SS
STATE OF _____)

SUBSCRIBED AND AFFIRMED:
On this _____day of _____, Name, personally appeared, personally known to me, OR proved to me on the basis of satisfactory evidence to be the one whose name is subscribed to the within instrument.

Witness my hand and official seal.

Signature of Notary

I, Name, hereby swear and affirm that I have the authority to request information pertaining to Entity name.

Name

Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501-0010

Date of this notice: JUNE 17, 2002
Taxpayer Identifying Number
(1) Form: CVL PEN Tax Period: DEC. 31, 1998

For assistance you may call us at:
1-800-829-1040

CALLER ID: 757426

(2) NOTICE OF PENALTY CHARGE (4) 666

YOU HAVE BEEN CHARGED A PENALTY UNDER SECTION 6702 OF THE INTERNAL REVENUE CODE FOR FILING A FRIVOLOUS RETURN. (3)

TAX STATEMENT

PRIOR BALANCE	$.00
(5) PENALTY ASSESSMENT	500.00
INTEREST CHARGED	.00
BAD CHECK PENALTY	.00
BALANCE DUE	$500.00

WE CHARGED YOU A PENALTY OF $500 FOR FILING A TAX RETURN THAT CONTAINED FRIVOLOUS ARGUMENTS TO REDUCE TAXES OR DELAY COLLECTION OF TAXES. THE DEDUCTION YOU CLAIMED DOESN'T HAVE A LEGAL BASIS, SO IT REPRESENTS A FRIVOLOUS POSITION.

IF YOU WANT US TO REMOVE OR REDUCE ANY OF THE PENALTIES WE CHARGED, YOU MUST PAY THE ENTIRE PENALTY AND FILE A CLAIM FOR A REFUND ON FORM 843, CLAIM FOR REFUND AND REQUEST FOR ABATEMENT, BY JULY 17, 2002. IF THE PENALTY IS ON A RETURN THAT YOU FILED BEFORE 1990, YOU ONLY NEED TO PAY 15% OF THE PENALTY BEFORE YOU FILE A CLAIM FOR REFUND. FORM 843 IS AVAILABLE IN MOST IRS OFFICES, OR YOU CAN ORDER ONE BY CALLING TOLL-FREE 1-800-829-3676.

IF WE DENY YOUR CLAIM, YOU MAY FILE A SUIT IN THE UNITED STATES DISTRICT COURT OR CLAIMS COURT WITHIN 30 DAYS AFTER THE DATE WE DENIED YOUR CLAIM OR WITHIN SIX MONTHS AND 30 DAYS AFTER THE DATE YOU FILED YOUR CLAIM, WHICHEVER IS EARLIER.

IF YOU DON'T FILE A CLAIM OR A SUIT WITHIN THE TIME LIMITS, YOU MUST PAY THE FULL AMOUNT SHOWN.

(6)

Exhibit A

Frivolous Return Penalty

(20)(10)91 General

(1)IRC section 6702 provides for an immediate assessment of a $500 civil penalty against individuals who file frivolous income tax returns or frivolous amended income tax returns. The penalty is not based on tax liability. There does not need to be an underpayment of tax or understatement of liability in order for the penalty to be imposed in addition to any other penalty. The intent of the law is to stop the flow of returns, amended returns, or documents which purport to be returns, that contain altered line items or claim clearly unallowable deductions or credits based on a frivolous position.

(2)The penalty can be asserted on a frivolous Form 1040, Form 1040X Amended Return, Form 843, Claim and others which:

(a)Do not contain sufficient information to judge the correctness of the tax, or

(b)Contain information that on its face indicates the self-assessment is incorrect, and

(c)The conduct referred to in (a) or (b) is due to a position which is frivolous or a desire to delay or impede the administration of the tax laws.

(3)Some of the schemes which may cause the assertion of the penalty are:

(a)Unallowable deductions such as the gold standard, discounted Federal Reserve Notes and War tax;

(b)wages are not income;

(c)constitutional claims (i.e., Fourth, Fifth and Sixteenth amendments);

(d)invalid returns; and

(e)nonprocessable returns.

(4)The frivolous return penalty is not applied against partnerships, corporations or estates.

(5)Statute of Limitations. A frivolous return:

(a)Does not constitute a valid return when the Service is unable to process the return, therefore, the IRC section 6702 penalty may be assessed at any time.

(b)Does constitute a valid return when the Service is able to process the return. Therefore, the IRC section 6702 penalty must be assessed within 3 years after the return was filed.

(6)See Exhibit (20)100-7, for the applicable penalty reference numbers.

(20)(10)92 Penalty Computation

Exhibit B 1 of 2

(1)The civil penalty is $500 per frivolous document.

(2)A taxpayer can have multiple penalties. However, for a joint return, only one $500 penalty is assessed against the husband and wife, per frivolous document.

(3)See (20)(10)92:3 for LEM XX-(10)00.

(20)(10)93 Assertion

(1)Generally, the service center identifies frivolous returns and assesses the penalty.

(2)If the field receives a return that warrants a frivolous return penalty, the employee should indicate this on a Form 3198, Special Handling Notice, attached to the original return.

(3)A Form 8278, Computation and Assessment of Miscellaneous Penalties, will be completed and used for assessment unless the penalty is related to a joint return. The Non-Master File Assessment Voucher, Form 5734, will be used for the joint assessment of the penalty. See IRM Part IV for further information.

(20)(10)94 Penalty Relief

Taxpayers seeking judicial review of the imposition of the penalty must first pay the entire penalty. A Letter of Disallowance is sent to the taxpayer and the taxpayer can file suit contesting this penalty in the district court or U.S. Court of Federal Claims ~~Court~~.

(20)(10)(10)0 IRC section 6705

Failure by Broker to

Provide Notice to Payors

(20)(10)(10)1 General

(1)IRC section 6705 provides a $500 penalty for Failure by Broker to Provide Notice to Payors that a payee is subject to backup withholding.

(2)Under IRC section 3406(d)(2)(B), a broker who acquires a readily tradable instrument for a payee (customer) must notify the payor of such instrument within 15 days of the acquisition that the payee is subject to backup withholding if either of the following conditions exist:

(a) The payee fails to furnish the TIN to the broker.

(b) The IRS notifies the broker that the TIN is incorrect.

(c)The payee has not provided the broker with a certification that the payee is not subject to backup withholding, or

(d)The IRS has notified the broker before the acquisition that the payee is subject to backup withholding.

Exhibit B 2 of 2

```
*Employee No. 3333323600
*      OFFICIAL INTERNAL REVENUE SERVICE NON-MASTER FILE TRANSCRIPT
*                    TRANSCRIPT DATE:  10/26/2000
*
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Department of the Treasury - Internal Revenue Service

Document Locator Number		Taxpayer ID Number:
59647-273-22003-00		Notice Date.....: 09/29/2000
		Type of Tax.....: INCOME
		Master File Tax...: 20
4221 SOUTHEAST 46TH ST		Form Number.....: 1040
		Period ending.....: 12/31/1994
9412	1300	Abstract Number...: 004
5901-0000	21	Civil Pen. Ref. No.
		POA on File?..... No

Second Notice.....
Third Notice.....
Fourth Notice.....
TDA..... 23C Date...09/29/2000
53 Status..... NMF ASSESS AGAINST TPH
Claim/Adj Pending. TPW [illegible] GRANTED
OIC Status..... PARTIAL INN SP RELIEF PER
Collection Expir..09/28/2010 6015
Penalty/Interest..
INSTALLMENT
CNC Notice..... Transfer Sch. Number..

TRANS DATE	DESCRIPTION	CC	DOCUMENT LOCATOR	POSTING DATE	TRANS AMOU
09/29/2000	160 DELINQ. PEN		59647-273-22003-00	09/29/2000	5,731.
09/29/2000	170 EST PEN		59647-273-22003-00	09/29/2000	1,383.
09/29/2000	240 MISC PENALTY		59647-273-22003-00	09/29/2000	4,585.
09/29/2000	300 TAX DEF ASMN		59647-273-22003-00	09/29/2000	22,924.
09/29/2000	340 RES INT ASMN		59647-273-22003-00	09/29/2000	18,834.
			09/29/2000 Account Balance:		53,457.
			09/30/2000 Accrued Penalty :		0.
			09/30/2000 Accrued Interest:		13.

Date of Entry	HISTORY

Exhibit C

FOIA Request for a form 5734 Non-Master file assessment voucher

A. In order to have a valid assessment and to be able to assess you for penalties or interest the form must be filled out and sent to you when you request it.

B. Exhibit A shows the IRS prepare how to fill out the 5734.

1. Item number 4 on the 5734 says type of tax now go down to the lower half of the page and what does it say "civil penalty"

2. Item number 6; form number is the form number of the appropriate return according to their instructions. How can a 1040 be a type of tax like the IRS tries to make us believe?

3. You should be able to go through the rest of this 5734 and learn to recognize these items for yourself.

C. Here is a clean copy of a 5734 in case you should need one to use as a exhibit.

D. Form 5734 is prepared by IRS tax examiners when they are assessing various penalties to the Non-Master File

FREEDOM OF INFORMATION ACT REQUEST

TO:
Disclosure Officer
Internal Revenue Service
(your local IRS district address)
(your local IRS district address)

FROM: (your name or entity name)
addr1
addr2

Account # (SS# or EIN#)

Dear Disclosure Officer:

1. This is a request under the Freedom of Information Act, 5 USC 552, or regulations thereunder. This is my firm promise to pay fees and costs for locating and duplicating the records requested below, ultimately determined in accordance with 26 CFR 601.702 (f).

2. If some of this request is exempt from release, please furnish me with those portions reasonable segregable. I am waiving personal inspection of the requested records.

3. This request pertains to the years:

4. BACKGROUND: **Exhibit A**: Form: CVL PEN; **Exhibit B**: IRM (20)(10)91 – (20)(10)(10)1; **Exhibit C**: Non-Master File Assessment Voucher 1 of 2, and 2 of 2.

5. Please send a certified copy of the form 5734 "Non Master File Assessment Voucher" which is specific to above referenced SS# or EIN# and no other and which indicates the alleged liability.

6. Assessment certificates or supporting documents are being requested per 26 USC 6203 and 26 CFR 301.6203-1.

7. Please certify all documents with the Form 2866, certificate of official record. If there are no specific documents pertaining to this request, certify your response with Form 3050, certificate of lack of records.

DATED:

Respectfully,

name, Qualified Requester

Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501-0010

Date of this notice: JUNE 17, 2002
Taxpayer Identifying Number
(1) Form: CVL PEN Tax Period: DEC. 31, 1998

For assistance you may call us at:
1-800-829-1040

CALLER ID: 757426

(2) NOTICE OF PENALTY CHARGE (4) 666

YOU HAVE BEEN CHARGED A PENALTY UNDER SECTION 6702 OF THE INTERNAL REVENUE CODE FOR FILING A FRIVOLOUS RETURN. (3)

TAX STATEMENT

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(5) PENALTY ASSESSMENT	500.00
INTEREST CHARGED	.00
BAD CHECK PENALTY	.00
BALANCE DUE	$500.00

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Exhibit A

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(20)(10)91 General

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(2)The penalty can be asserted on a frivolous Form 1040, Form 1040X Amended Return, Form 843, Claim and others which:

(a)Do not contain sufficient information to judge the correctness of the tax, or

(b)Contain information that on its face indicates the self-assessment is incorrect, and

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(d)invalid returns; and

(e)nonprocessable returns.

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(6)See Exhibit (20)100-7, for the applicable penalty reference numbers.

(20)(10)92 Penalty Computation

Exhibit B 1 of 2

(1)The civil penalty is $500 per frivolous document.

(2)A taxpayer can have multiple penalties. However, for a joint return, only one $500 penalty is assessed against the husband and wife, per frivolous document.

(3)See (20)(10)92:3 for LEM XX-(10)00.

(20)(10)93 Assertion

(1)Generally, the service center identifies frivolous returns and assesses the penalty.

(2)If the field receives a return that warrants a frivolous return penalty, the employee should indicate this on a Form 3198, Special Handling Notice, attached to the original return.

(3)A Form 8278, Computation and Assessment of Miscellaneous Penalties, will be completed and used for assessment unless the penalty is related to a joint return. The Non-Master File Assessment Voucher, Form 5734, will be used for the joint assessment of the penalty. See IRM Part IV for further information.

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Taxpayers seeking judicial review of the imposition of the penalty must first pay the entire penalty. A Letter of Disallowance is sent to the taxpayer and the taxpayer can file suit contesting this penalty in the district court or U.S. Court of Federal Claims ~~Court~~.

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Provide Notice to Payors

(20)(10)(10)1 General

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(2)Under IRC section 3406(d)(2)(B), a broker who acquires a readily tradable instrument for a payee (customer) must notify the payor of such instrument within 15 days of the acquisition that the payee is subject to backup withholding if either of the following conditions exist:

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(b) The IRS notifies the broker that the TIN is incorrect.

(c)The payee has not provided the broker with a certification that the payee is not subject to backup withholding, or

(d)The IRS has notified the broker before the acquisition that the payee is subject to backup withholding.

Exhibit 8 2 of 2

Non-Master File Assessment Voucher

1. Name and address			2. Document locator number (DLN)	
			3. Taxpayer identification number (TIN)	
4. Type of tax	5. Form number	6. Period	7. MFT code	8. Abstract number
9. Tax ▶			$	
10. Penalty	I.R. Code Section or Type of Penalty		Trans. Code	Amount
11. Interest ▶				
12. Total (Sum of lines 9, 10, and 11) ▶				$

13. Reason for assessment:

14. Signature of preparer	15. Date

Form 5734 (Rev. 1-91) Cat. No. 27725M Department of the Treasury — Internal Revenue Service

U.S. Government Printing Office: 1991 — 517-016/45022

Exhibit C 1 of 2

Form 5734, Non-Master File Assessment Voucher

Reference IRM 7369

Non-Master File Assessment Voucher

1. Name and address (1)			2. Document locator number (DLN)		
			3. Taxpayer identification number (TIN) (2)		
4. Type of tax (3)	5. Form number (4)	6. Period (5)		7. MFT code (6)	8. Abstract number (7)
9. Tax ▶			$		
10. Penalty	IR Code Section or Type of Penalty (8)		Trans. Code		Amount (9)
11. Interest ▶					
12. Total (Sum of Lines 9, 10, and 11) ▶				$	(10)
13. Reason for assessment (11)					
14. Signature of preparer (12)			15. Date (13)		

Form **5734** (Rev. 1-81) Cat. No. 27728M Department of the Treasury — Internal Revenue Service

U.S. Government Printing Office: 1981 — 347-010/8809

Review of Form 5734 for Civil Penalty Assessments

1 Full name and address of taxpayer.
2 TIN of person against whom the penalty is to be assessed.
3 "Civil Penalty".
4 Form number of the appropriate return.
5 Period to be assessed.
6 Examination

penalties--	MFT 20	IRC 6700, 6701, 6702
	MFT 28	IRC 6652(a)(b)
EP penalties--	MFT 74	IRC 6652, 6690, 6692
	MFT 76	IRC 6651
	MFT 29	IRC 6693

7 Abstract Number - Refer to Exhibit 500-7 of IRM 7530, Chapter 500 for abstract numbers.
8 Amounted to be assessed.
10 Amounted to be assessed (EP/EO Support and Processing personnel will complete this item, if missing).
11 "Examination Request" or other appropriate statement. Forms prepared by EP must include the plan year ending and the three digit plan number; the File Folder Number should be in parentheses.
12 Signature and office location, including examination group number, and the initials of the reviewer.
13 Date prepared.

Exhibit C 252

FOIA request for Form 3198
Special Handling Notice

A. Form 3198 must be attached to the front of the case file identifying it as a "Substitute for Return"

B. The assessment of information return penalties is done in conjunction with the key case with any time spent on the issue charged to the key case. A penalty file is to be prepared as follows and closed along with the key case to ESP for assessment:

1. Complete Form 3198 and attach to the outside of the file.

2. Complete Form 4318A explaining the issues and attach any workpapers used in working the issue. In addition, the case should be written up in IFRAC form.

3. Complete Form 8278 according to the instructions on the back of the form and place on top of the Form 4318A.

4. In an agreed case, the taxpayer signs Form 870. Place this on top of the Form 8278 in the file.

5. If the taxpayer does not agree to the assessment of the penalties, note on the Form 3198 the case is unagreed and the taxpayer wishes to appeal the assessment.

C. The Form 3198 is used to alert processors of case files that require special handling.

FREEDOM OF INFORMATION ACT REQUEST

TO:
Disclosure Officer
Internal Revenue Service
(your local IRS district address)
(your local IRS district address)

FROM: (your name or entity name)
addr1
addr2

Account # (SS# or EIN#)

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6. Assessment certificates or supporting documents are being requested per 26 USC 6203 and 26 CFR 301.6203-1.

7. Please certify all documents with the Form 2866, certificate of official record. If there are no specific documents pertaining to this request, certify your response with Form 3050, certificate of lack of records.

DATED:

Respectfully,

name, Qualified Requester

Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501-0010

Date of this notice: JUNE 17, 2002
Taxpayer Identifying Number
(1) Form: CVL PEN Tax Period: DEC. 31, 1998

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Exhibit B 1 of 2

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(1)Generally, the service center identifies frivolous returns and assesses the penalty.

(2)If the field receives a return that warrants a frivolous return penalty, the employee should indicate this on a Form 3198, Special Handling Notice, attached to the original return.

(3)A Form 8278, Computation and Assessment of Miscellaneous Penalties, will be completed and used for assessment unless the penalty is related to a joint return. The Non-Master File Assessment Voucher, Form 5734, will be used for the joint assessment of the penalty. See IRM Part IV for further information.

(20)(10)94 Penalty Relief

Taxpayers seeking judicial review of the imposition of the penalty must first pay the entire penalty. A Letter of Disallowance is sent to the taxpayer and the taxpayer can file suit contesting this penalty in the district court or U.S. Court of Federal Claims ~~Court~~.

(20)(10)(10)0 IRC section 6705

Failure by Broker to

Provide Notice to Payors

(20)(10)(10)1 General

(1)IRC section 6705 provides a $500 penalty for Failure by Broker to Provide Notice to Payors that a payee is subject to backup withholding.

(2)Under IRC section 3406(d)(2)(B), a broker who acquires a readily tradable instrument for a payee (customer) must notify the payor of such instrument within 15 days of the acquisition that the payee is subject to backup withholding if either of the following conditions exist:

(a) The payee fails to furnish the TIN to the broker.

(b) The IRS notifies the broker that the TIN is incorrect.

(c)The payee has not provided the broker with a certification that the payee is not subject to backup withholding, or

(d)The IRS has notified the broker before the acquisition that the payee is subject to backup withholding.

Exhibit B 2 of 2

Special Handling Notice

NAME | Year(s)/Period(s) Ended

Quality Measurement Staff

☐ Mandatory Review *(State nature, per IRM 4414.1)*

☐ TCMP

☐ Joint Committee Case

☐ Employee Returns

☐ Sample Review

☐ Systematic

☐ Management Identified

Expedite

☐ Prompt Assessment Request, Expires _____

☐ Other _____
Specify

Special Handling/Processing Instructions

(IRM 48(13)1—Exhibit 300-1, IRM 4414 and IRM 4482.21)

☐ Issue Notice of Claim Disallowance

☐ Restricted interest case, IRC section _____

☐ Send all communications as per power of attorney

☐ Address/Name Change

☐ Assess/Adjust
- ☐ Deficiency, claim involved
- ☐ Penalty
- ☐ Prepayment Credit

☐ Manual refund
- ☐ Deceased taxpayer
- ☐ Hardship case
- ☐ Innocent Spouse

☐ Process
- ☐ Partial Agreement
- ☐ Partial Payment

☐ Other *(Specify)* _____

☐ Special Instructions *(state nature, date & initial)*

_____ Date _____ Initials _____

_____ Date _____ Initials _____

_____ Date _____ Initials _____

_____ Date _____ Initials _____

Note: This form is to be fastened at the upper left corner of the case file and on top of all other forms except Form 895 and 2644.

Form **3198** (Rev. 11-82) Cat. No. 22145A Department of the Treasury – Internal Revenue Service
*U.S. GPO: 1983-381-845/82158

Exhibit C 1 of 1

FOIA request for Form 8278
Computation and Assessments of Miscellaneous Penalties

Penalty Assessment

A. The assessment of information return penalties is done in conjunction with the key case with any time spent on the issue charged to the key case. A penalty file is to be prepared as follows and closed along with the key case to ESP for assessment:

1. Complete Form 3198 and attach to the outside of the file.

2. Complete Form 4318A explaining the issues and attach any workpapers used in working the issue. In addition, the case should be written up in IFRAC form.

3. Complete Form 8278 according to the instructions on the back of the form and place on top of the Form 4318A.

4. In an agreed case, the taxpayer signs Form 870. Place this on top of the Form 8278 in the file.

5. If the taxpayer does not agree to the assessment of the penalties, note on the Form 3198 the case is unagreed and the taxpayer wishes to appeal the assessment.

B. This form 8278 is a supporting document that is required to be filled out if you are assessed Miscellaneous Penalties.

C. If you have a TC-290 posted to your IMF or BMF you might want to send in this request.

D. If you receive any paperwork from the IRS that shows Miscellaneous Penalties you might also want to send off for this form.

E. Form 8278 is used for the computation and assessment of miscellaneous penalties.

FREEDOM OF INFORMATION ACT REQUEST

TO:
Disclosure Officer
Internal Revenue Service
(your local IRS district address)
(your local IRS district address)

FROM: (your name or entity name)
addr1
addr2

Account # (SS# or EIN#)

Dear Disclosure Officer:

1. This is a request under the Freedom of Information Act, 5 USC 552, or regulations thereunder. This is my firm promise to pay fees and costs for locating and duplicating the records requested below, ultimately determined in accordance with 26 CFR 601.702 (f).

2. If some of this request is exempt from release, please furnish me with those portions reasonable segregable. I am waiving personal inspection of the requested records.

3. This request pertains to the years:

4. BACKGROUND: **Exhibit A**: Form: CVL PEN; **Exhibit B**: IRM (20)(10)91 – (20)(10)(10)1; **Exhibit C**: Computation and Assessment of Miscellaneous Penalties.

5. Please send a certified copy or copies of Form 8278, "Computation and Assessment of Miscellaneous Penalties," which is specific to above referenced SS# or EIN# and no other and which indicates the alleged liability.

6. Assessment certificates or supporting documents are being requested per 26 USC 6203 and 26 CFR 301.6203-1.

7. Please certify all documents with the Form 2866, certificate of official record. If there are no specific documents pertaining to this request, certify your response with Form 3050, certificate of lack of records.

DATED:

Respectfully,

name, Qualified Requester

Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501-0010

Date of this notice: JUNE 17, 2002
Taxpayer Identifying Number
(1) Form: CVL PEN Tax Period: DEC. 31, 1998

For assistance you may call us at:
1-800-829-1040

CALLER ID: 757426

(2) NOTICE OF PENALTY CHARGE (4) 666

YOU HAVE BEEN CHARGED A PENALTY UNDER SECTION 6702 OF THE INTERNAL REVENUE CODE FOR FILING A FRIVOLOUS RETURN. (3)

TAX STATEMENT

PRIOR BALANCE	$.00
(5) PENALTY ASSESSMENT	500.00
INTEREST CHARGED	.00
BAD CHECK PENALTY	.00
BALANCE DUE	$500.00

WE CHARGED YOU A PENALTY OF $500 FOR FILING A TAX RETURN THAT CONTAINED FRIVOLOUS ARGUMENTS TO REDUCE TAXES OR DELAY COLLECTION OF TAXES. THE DEDUCTION YOU CLAIMED DOESN'T HAVE A LEGAL BASIS, SO IT REPRESENTS A FRIVOLOUS POSITION.

IF YOU WANT US TO REMOVE OR REDUCE ANY OF THE PENALTIES WE CHARGED, YOU MUST PAY THE ENTIRE PENALTY AND FILE A CLAIM FOR A REFUND ON FORM 843, CLAIM FOR REFUND AND REQUEST FOR ABATEMENT, BY JULY 17, 2002. IF THE PENALTY IS ON A RETURN THAT YOU FILED BEFORE 1990, YOU ONLY NEED TO PAY 15% OF THE PENALTY BEFORE YOU FILE A CLAIM FOR REFUND. FORM 843 IS AVAILABLE IN MOST IRS OFFICES, OR YOU CAN ORDER ONE BY CALLING TOLL-FREE 1-800-829-3676.

IF WE DENY YOUR CLAIM, YOU MAY FILE A SUIT IN THE UNITED STATES DISTRICT COURT OR CLAIMS COURT WITHIN 30 DAYS AFTER THE DATE WE DENIED YOUR CLAIM OR WITHIN SIX MONTHS AND 30 DAYS AFTER THE DATE YOU FILED YOUR CLAIM, WHICHEVER IS EARLIER.

IF YOU DON'T FILE A CLAIM OR A SUIT WITHIN THE TIME LIMITS, YOU MUST PAY THE FULL AMOUNT SHOWN.

(6)

Exhibit A

Frivolous Return Penalty

(20)(10)91 General

(1)IRC section 6702 provides for an immediate assessment of a $500 civil penalty against individuals who file frivolous income tax returns or frivolous amended income tax returns. The penalty is not based on tax liability. There does not need to be an underpayment of tax or understatement of liability in order for the penalty to be imposed in addition to any other penalty. The intent of the law is to stop the flow of returns, amended returns, or documents which purport to be returns, that contain altered line items or claim clearly unallowable deductions or credits based on a frivolous position.

(2)The penalty can be asserted on a frivolous Form 1040, Form 1040X Amended Return, Form 843, Claim and others which:

(a)Do not contain sufficient information to judge the correctness of the tax, or

(b)Contain information that on its face indicates the self-assessment is incorrect, and

(c)The conduct referred to in (a) or (b) is due to a position which is frivolous or a desire to delay or impede the administration of the tax laws.

(3)Some of the schemes which may cause the assertion of the penalty are:

(a)Unallowable deductions such as the gold standard, discounted Federal Reserve Notes and War tax;

(b)wages are not income;

(c)constitutional claims (i.e., Fourth, Fifth and Sixteenth amendments);

(d)invalid returns; and

(e)nonprocessable returns.

(4)The frivolous return penalty is not applied against partnerships, corporations or estates.

(5)Statute of Limitations. A frivolous return:

(a)Does not constitute a valid return when the Service is unable to process the return, therefore, the IRC section 6702 penalty may be assessed at any time.

(b)Does constitute a valid return when the Service is able to process the return. Therefore, the IRC section 6702 penalty must be assessed within 3 years after the return was filed.

(6)See Exhibit (20)100-7, for the applicable penalty reference numbers.

(20)(10)92 Penalty Computation

Exhibit B 1 of 2

(1)The civil penalty is $500 per frivolous document.

(2)A taxpayer can have multiple penalties. However, for a joint return, only one $500 penalty is assessed against the husband and wife, per frivolous document.

(3)See (20)(10)92:3 for LEM XX-(10)00.

(20)(10)93 Assertion

(1)Generally, the service center identifies frivolous returns and assesses the penalty.

(2)If the field receives a return that warrants a frivolous return penalty, the employee should indicate this on a Form 3198, Special Handling Notice, attached to the original return.

(3)A Form 8278, Computation and Assessment of Miscellaneous Penalties, will be completed and used for assessment unless the penalty is related to a joint return. The Non-Master File Assessment Voucher, Form 5734, will be used for the joint assessment of the penalty. See IRM Part IV for further information.

(20)(10)94 Penalty Relief

Taxpayers seeking judicial review of the imposition of the penalty must first pay the entire penalty. A Letter of Disallowance is sent to the taxpayer and the taxpayer can file suit contesting this penalty in the district court or U.S. Court of Federal Claims ~~Court~~.

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(1)IRC section 6705 provides a $500 penalty for Failure by Broker to Provide Notice to Payors that a payee is subject to backup withholding.

(2)Under IRC section 3406(d)(2)(B), a broker who acquires a readily tradable instrument for a payee (customer) must notify the payor of such instrument within 15 days of the acquisition that the payee is subject to backup withholding if either of the following conditions exist:

(a) The payee fails to furnish the TIN to the broker.

(b) The IRS notifies the broker that the TIN is incorrect.

(c)The payee has not provided the broker with a certification that the payee is not subject to backup withholding, or

(d)The IRS has notified the broker before the acquisition that the payee is subject to backup withholding.

Exhibit B 2 of 2

CC: ADJ-54
TC 290 -0-

Computation and Assessment of Miscellaneous Penalties

COMPLETE BOXES 5 *(if applicable)* and 11 IN RED INK

DO 7 1

Taxpayer's Name: Last, First, Middle Initial *(single name only)*

APPLE, GEORGE M.

5. Year *(mandatory)* *(yymm)*: 9212

6. Statute Date *(optional)* *(mmddyy)*: 041596

Address

2323 Anyplace Avenue

Little Rock AR 12345

7. (a) SSN: 333-22-1234 (Complete for (a) or (b), not both. See instructions.)

(b) EIN:

MFT *(check one)*

☒ BMF 55 ☐ BMF 13

4. NO STATUTE ☐ *(complete 4S)*

8. Function *(check one)*

☐ Examination ☐ Collection ☐ EP/EO ☒ Appeals

9. PENALTY DESCRIPTION	(a) Code Section	(b) Reference Number	(c) Number of Violations	(d) Amount Assessed	(e) Amount Abated
Information Returns *(Due date after 12/31/89)*					
Failure to file information return	6721	600	3		150.00
Failure to provide payee statement	6722	612			
Failure to furnish TIN	6723	627			
Failure to provide notice of partnership exchange	6723	674			
Failure to file HCA report	6693	620			
Note: For information Returns due before 1/1/90, see IRM Exhibit (20)100-7					
Excise					
Refusal to enter or inspect	4083(c) (3)	655			
Dyed fuel sold or used in taxable use	6715	656			
Failure to properly label retained diesel fuel	4082(c)	657			
Form 8300 *(Due date after 12/31/89)*					
Failure to file return	6721	651			
Failure to file return - intentional disregard	6721	652			
Failure to provide payee statement	6722	653			
Failure to provide payee statement - intentional disregard	6722	654			
International Information Returns					
Failure to file Form 5471 and Sch O	6679/6046	613			
Failure to file Form 5471 and Sch N	6679/6035	614			
Failure to file such form as required	6679/6046A	618			
Failure to file Form 5471 and Sch M	6038(b)	623			
Failure to file Form 5472 / maintain records	6038A(d)	625			
Failure to file Form 926	6038B(b)	675			
Failure to file Form 3520/3520A	6677	677			

10. Originator	11. Date	12. Group Number	13. Phone
Peach, M.	3/30/95	XXXX	XXX-XXXX
14. Terminal Operator	15. Date	16. Reviewer	17. Date

EXHIBIT C

CP-2000

A. CP-2000 is an audit by an unresponsive, uncaring machine, a machine that is not only indifferent, but also startlingly inaccurate.

B. This year, some 3.5 million Americans will be caught in an IRS web of inept technology.

1. They will receive a CP-2000 notice and you may be one of them.

 a. We refer you back to the contents in the GAO report in the September "VIP Dispatch."

C. Like robots, your employers, brokers and banks respond with divine devotion to the IRS call for information concerning you.

1. They absolutely cannot wait to report your wages, commissions, interest, dividends, stock, real estate sales, etc. They get to deduct these items.

2. All that information that is turned over from all those entities to the IRS is then entered in the IRS machine which uses all that information for a end of the year document match.

D. The purpose of that document match is for the IRS to discover any unreported income.

1. Any discrepancy between the income shown on a tax return and the amount reported on information returns results in a notice of additional tax due.

2. This IRS procedure is actually a massive secret audit of 40 plus percent of all taxpayers

E. How you respond to that CP-2000 in your mailbox.

1. The CP-2000 is merely a proposed increased in your tax.

2. DO NOT assume that the CP-2000 figures are anywhere near being correct.

3. These CP-2000 have error rates as high as 50 percent.

F. After the IRS sends you a CP-2000 it is then up to you correct any mistakes, according to the IRS to.

1. The IRS machine cannot reason it can only compare.

2. Banks, stock brokerages, firms and anyone else who sends in a 1099 pertaining to you are often incorrect.

3. Your W-2 statements can also be incorrect.

4. Some of the more common problems, for instance, are when a bank credits the wrong amount or someone else's amount to your account, rolls your child's trust account over on you, or transposes a digit of a SSN.

5. IRS data-entry often triggers a CP-2000 Notice when they punch in incorrect amounts, or incorrect SSN's.

6. But it is your duty to correct any of these wrongs.

7. GOOD LUCK. As some of you have already found out – it's not easy.

G. You do not have to pay any additional tax if the CP-2000 is wrong.

1. But you do need to send them a letter telling them why their figures are wrong.

H. If you cannot solve the problem by corresponding you can request a meeting with an auditor or an appeals officer.

1. If they grant you this conference it will be held in your local district office.

Department of the Treasury
Internal Revenue Service
Austin, TX 78767

THIS NOTICE REQUIRES A RESPONSE. Please complete the response page at the end of this notice and send it to us in the enclosed envelope.

For additional information, please phone TeleTax 1-800-829-4477 (toll free) and request Topic Number 652.

Where you may call us:
1-800-829-1040

WE ARE PROPOSING CHANGES TO YOUR 1996 TAX RETURN

We are proposing changes to your 1996 income tax return because information you reported does not match what was reported to us by your employers, banks, and/or other payers. We have no record of receiving your reply to our previous notice. Therefore, we propose to increase your tax. As a result of this change, you will owe us $_____. See our proposed changes on Page 2 and the detailed information beginning on page 3.

Please compare your records with the payer information. It shows the information that we used for our proposed changes. To assist you in reviewing your return, the payer information may show both reported and unreported amounts. However, the proposed changes shown on page 2 are based on the unreported amounts only.

If you AGREE with our Proposed Changes:

- Check Box A on the response page at the end of this notice.
- Sign and date the total agreement statement, and
- Send us the response page in the enclosed envelope.
- If possible, enclose your payment in full. If you cannot pay the entire amount, you can request an installment agreement by completing the last page of this notice.

If you DISAGREE with our Proposed Changes:

- Check Box B on the response page at the end of this notice.
- Enclose a signed statement explaining each change you disagree with and why you disagree.
- Include any supporting documents you wish us to consider, and
- Send us the response page with your statement and supporting documents in the enclosed envelope.

It is important that we receive your response by _____/19xx. If we do not receive your response, we will conclude that our proposed changes are correct. Then we will send you a Notice of Deficiency followed by a bill for the proposed amount you owe including tax and any penalties plus additional interest.

IDRS Notice and TDI's

A. Exhibit A, Normal Cycling of IDRS Notices and TDI's, the top section shows IMF and BMF first notice, CP 575 MF Status 02.

1. What they show here is that after the CP-515 Notice 8 weeks later you are supposed to receive the fourth Notice CP-518.

 a. However don't hold your breath in great expectations of receiving a CP-516 or a CP-517, as it seems they have forgotten that they are supposed to send those notices out.

 b. If you receive a CP-515 Notice do not be surprised if you receive a CP-518 in the following two or three weeks.

2. The next section shows the BMF and then the EPMF procedures, which you can study for yourself.

B. Exhibit B, timing of Balance Due Notices and TDA cycles.

1. First section IMF, Master File CP, Status 21.

 a. ISRS 501, Status 20, again do not hold your breath waiting to get a CP-501 notice.

 b. Then it shows IDRS 503, Status 56, then IRRS 504 Status 56, then a IDRS 504 Status 58 then 6 weeks they put into a TDA status 22, 24, or 26.

 c. At the end of the line it shows a TDA status 26 code which will be posted to your IMF or BMF.

 d. If you find a 26-status code on the last page of your IMF it means that the IRS is getting ready to try and to real mean nasty things to you so keep your eyes open.

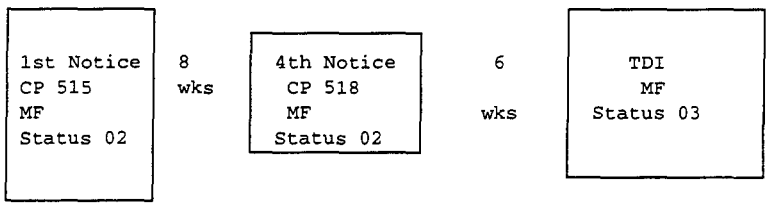
2. The next section is for a BMF, the following section is the IRAF, and then the next section is the NMF.

 a. The Non-Master File is a strange creature that the IRS has created and can be very exclusive document to get your mitts on. But every once in awhile someone will receive one.

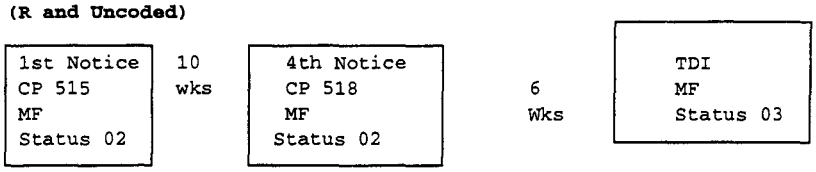
 b. They are supposed to create a NMF in a number of procedures they use but they just don't seem to be able to follow their one procedures.

2 *Normal Cycling of IDRS Notices and TDIs*

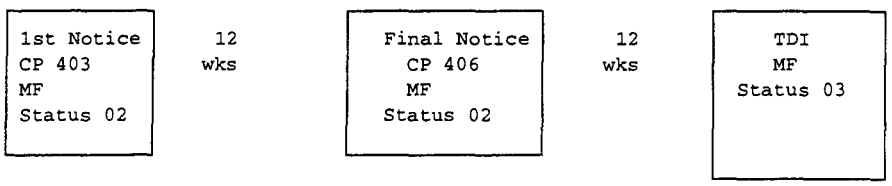
IMF, and BMF



BMF (R and Uncoded)



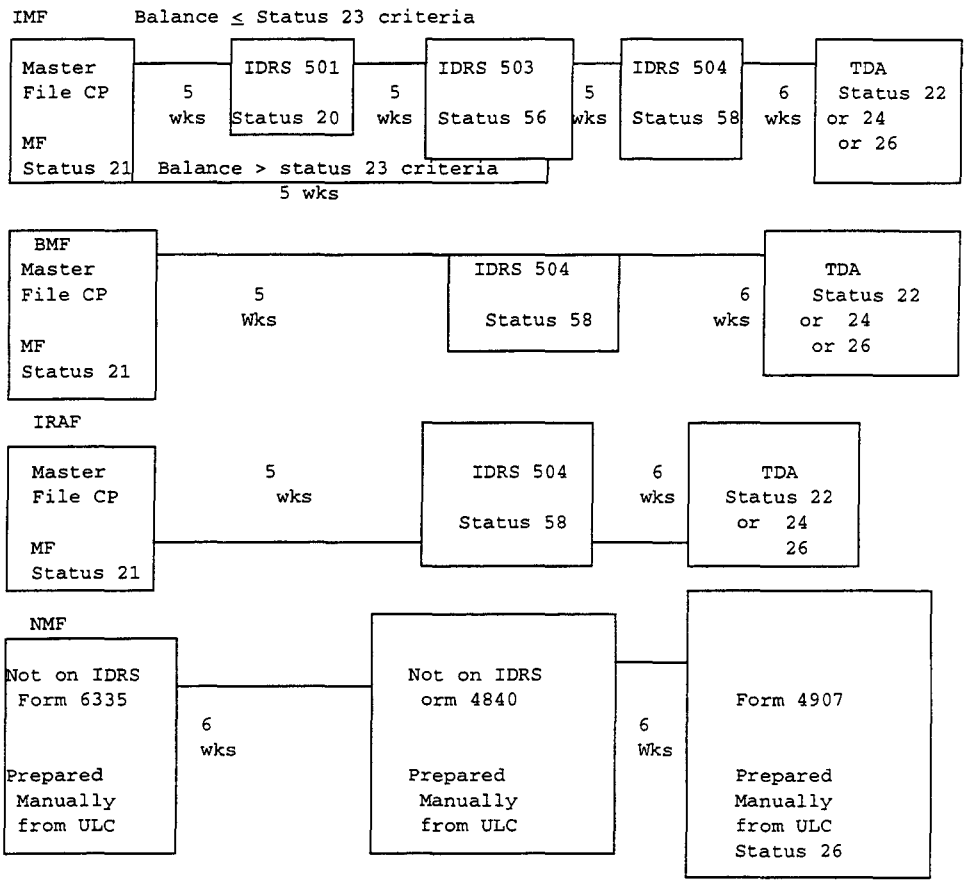
EPMF



Any line marked with # is for official use only

Exhibit A

3 *Timing of Balance Due Notices and TDA Cycles*



Any line marked with # is for official use only

Exhibit B

CP-503
IMPORTANT!
Immediate Action is required

A. If you have received this notice, it means you have ignored the initial tax bill (CP-14) or your case is back in collection after being declared "currently not collectible" for a while. If you owe for more than one tax period, you will receive one of these notices for each year. This is one of the statutory notices. You will receive this notice even if you have made arrangements to make installment payments or you have been placed in a "hardship" status. It will say on the face of it to ignore it if you have entered into an installment agreement or paid the balance. But you still need to send them a letter telling them that.

B. The top right of the notice will indicate the date of the notice, the primary social security number or employer ID and, in most cases, a Caller ID number. The middle of the notice will describe the type tax and tax period involved. It will also show any interest and penalties accrued since your last notice.

C. If you agree with the amount but are unable to pay it all right now there are several options. If you owe no other tax, the amount due is less than $25,000, and you can pay the balance off in 60 months or less - call the number listed at the top right of the notice and make arrangements with them. You can specify the day of the month you want to make payments. You will be advised to pay it off as soon as possible, however, you may ask them what the minimum payment is to pay off the balance in 60 months. If the amount is more than you can handle or the technician refuses to give you that option - select one of the options below.

D. One caution -- if the taxes are 941 (payroll) taxes from your employee's withholding, you have a very different problem and might want to seek professional help as soon as possible, unless you are in a position to pay the liability within 30 days.

E. If you ignore this notice, you will receive a CP-504 via certified mail in the next two to four weeks.

F. Top right hand corner of Exhibit A, item 1, it says Notice Number CP-503.

1. What do you, or should you, know about this CP-503?

a. Section 9, page 1 of the IRM 6209, ADP tells us very clearly that a CP two digit number is for an IMF and a CP three digit number is for a BMF.

2. Refer to the IMF Operations Manual # 9 and the BMF Operations Manual #10 on our literature list.

 a. They show CP 2-digit for an IMF and CP 3-digit for an BMF.

G. Exhibit A, item 2, it will list a SSN. If you have received your IMF and we have decoded it for that year and your IMF shows a VAL-1, then the SSN is not valid for the taxpayer using it, Exhibit C and Exhibit D. This is their wording from their Internal Revenue Manual 6209 ADP Manual.

1. Exhibit C comes out of the LEM Three Manual.(Law Enforcement Manuel)

2. Exhibit D comes out of the ADP System Manual. (Automated Data Processing)

3. So, is this really your SSN or is some entity using your SSN to input fictions items into your file thus tricking or triggering the IRS Machine to send you notices like the CP-503?

H. Item 3, have you responded in the past to any other correspondence they sent to you? If so, you may have another Exhibit depending upon how you responded.

I. Penalties and Interest, item 4, this is the point at which you want to start sending in all those requests for all those IRS forms that they were supposed to create before tacking on any penalties or interest.

Exhibit C

SSN Validity Digit	Explanation
0	The SSN is valid for the taxpayer using it.
1	The SSN is not valid for the taxpayer using it.

page LEM 3(27)(68)0-7 (1-1-90) LEMT III-386 Of

I R Manual 3(27)(68)2

Exhibit D

ADP Systems Code

SSN Validity Digit	Explanation
0	The SSN is valid for the taxpayer using it.
1	The SSN is not valid for the taxpayer using it.

007645 200112 SBR

IRS Department of the Treasury
Internal Revenue Service
PHILADELPHIA, PA 19255-0030

(1) Notice Number: CP 503
Notice Date: 07-01-2002

(2) SSN/EIN:
Caller ID: 564947

IMPORTANT

Immediate action is required.

(3) We previously wrote to you about your unpaid account, but you haven't contacted us about it. Penalties and interest on the unpaid balance are continuing to increase. Please pay the amount you owe within ten days from the date of this notice. If you can't pay now, call us at the number shown below. You may be qualified for an installment agreement or payroll deduction agreement. We want to help you resolve this bill. However, if we don't hear from you, we will have no choice but to proceed with steps required to collect the amount you owe.

If you already paid your balance in full or arranged for an installment agreement, please disregard this notice.

Account Summary

Form: 1040	Tax Period: 12-31-2001
Current Balance:	$17,218.01
Includes:	
(4) Penalty:	$76.54
(4) Interest:	$98.33
Last Payment:	$0.00

For information on your penalty & interest computations, you may call 1-800-829-8815.

Questions? call us at **1-800-829-8815**

Please mail this part with your payment, payable to United States Treasury.

(1) Notice Number: CP 503
Notice Date: 07-01-2002

write on your check:

1040	12-31-2001	

Amount Due: $17,218.01

Internal Revenue Service
PHILADELPHIA, PA 19255-0030

Exhibit A

CP-504 Urgent Notice-Balance Due

A. ATTENTION: This Notice is not what a number of others out in hitherland will tell you it is.

1. If you read it closely, what this notice really says is that the IRS intends to issue a levy against your state tax refund because you still have a balance due on one of your tax accounts.

2. In Order to Levy or Lien anything else the IRS is first supposed to send you several other notices.

3. What they will do is to start searching for other assets that they can attack.

4. If you sit on this notice and do nothing they will levy your state tax refund and usually start the process to file a Notice of a Federal Tax Lien.

B. If you ignore this notice, your case will be transferred from Taxpayer Service to Automated Collections (ACS).

1. If you ignore this notice, the next notice you will receive will usually be a letter 2050.

2. The 2050 letter will not come certified and you will receive it about five to six weeks after you receive the CP-504.

C. We now refer you back to the CP-503 and item 1 on Exhibit A, the CP-504 Notice.

1. The Computer Paragraph three-digit set of numbers are for a BMF and not an IMF

2. If you spend the time to study the CP-504 Notice using IRM-3 you will find it is actually to be used for an entity with an excise tax liability.

 a. Do you have an excise tax liability?

3. Exhibit A, item 2, SSN/EIN refer back to the CP-503 Notice.

4. Item 3, the CP-504 Notice refers to IRC 6331(d) Exhibit B, 1 of 3, at the bottom of the page, requirement of notice before levy.

 a. Section 6331(d) goes over to Exhibit B, 3 of 3 which includes large (E) and large (F), all of which you can gleefully read for yourself.

D. If we go to Exhibit C, Parallel authorities for 26 USC 6331 from the CFR, amazingly you will find it takes us to 27 CFR part 70 not 26 CFR anywhere.

E. Hop over to Exhibit D, which comes out of the IRS 7130 Manual. Under FORMS we find 4840(c).

1. Final Notice- TDA (CP-504). This is a Non-Master File final notice before seizure (CP-504) and is used to notify taxpayer of an unpaid delinquent account.

2. If you receive a CP-504 notice you will want to refer back to the March "VIP Dispatch" concerning NMF and send in those FOIA request to your local Disclosure Officer.

3. How could they send you a CP-504 without first creating all the necessary forms that allowed the CP-504 to issue in the first place.

VIOLATION OF PROCEDURE

VIOLATION OF PROCEDURE

WHERE ARE THOSE MISSING DOCUMENTS?

005414 200112 SBR

IRS Department of the Treasury
Internal Revenue Service
PHILADELPHIA, PA 19255-0030

(1) Notice Number: CP 504
Notice Date: 07-29-2002

(2) SSN/EIN:
Caller ID: 564947

7105 5678 7188 6105 5260

447148063101

Urgent !!

We intend to levy on certain assets. Please respond NOW.

(To avoid additional penalty and interest, pay the amount you owe within ten days from the date of this notice.)

(3)

Our records indicate that you haven't paid the amount you owe. The law requires that you pay your tax at the time you file your return. This is your notice, as required by Internal Revenue Code Section 6331(d), of our intent to levy (take) any state tax refunds that you may be entitled to if we don't receive your payment in full. In addition, we will begin to search for other assets we may levy. We can also file a Notice of Federal Tax Lien, if we haven't already done so. **To prevent collection action, please pay the current balanc now.** If you've already paid, can't pay, or have arranged for an installment agreement, it is important that you **call us immediately** at the telephone number shown below.

Account Summary

(4)

Form: 1040	Tax Period: 12-31-2001
Current Balance:	$38,523.19
Includes:	
(6) Penalty:	$553.09
Interest:	$526.96
Last Payment:	$0.00

For information on your penalty & interest computations, you may call 1-800-829-8815.

Questions? Call us at **1-800-829-8815**

See the enclosed Publication 594, The IRS Collection Process, and 1219B, Notice of Potential Third Party Contact, for additional inform

Please mail this part with your payment, payable to United States Treasury.

Notice Number: CP 504
Notice Date: 07-29-2002

write on your check:

1040	12-31-2001	

Amount Due: $38,523.19

Internal Revenue Service
PHILADELPHIA, PA 19255-0030

Exhibit A

Sec. 6331. - Levy and distraint

(a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

(b) Seizure and sale of property

The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

(c) Successive seizures

Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom such claim exists, until the amount due from him, together with all expenses, is fully paid.

(d) Requirement of notice before levy

Exhibit B 1 of 3

(1) In general

Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax only after the Secretary has notified such person in writing of his intention to make such levy.

(2) 30-day requirement

The notice required under paragraph (1) shall be -

(A)

given in person,

(B)

left at the dwelling or usual place of business of such person, or

(C)

sent by certified or registered mail to such persons's last known address,

no less than 30 days before the day of the levy.

(3) Jeopardy

Paragraph (1) shall not apply to a levy if the Secretary has made a finding under the last sentence of subsection (a) that the collection of tax is in jeopardy.

(4) Information included with notice

The notice required under paragraph (1) shall include a brief statement which sets forth in simple and nontechnical terms -

(A)

the provisions of this title relating to levy and sale of property,

(B)

the procedures applicable to the levy and sale of property under this title,

(C)

the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals,

(D)

the alternatives available to taxpayers which could prevent

Exhibit B 2 of 3

Exhibit B 2 of 3

levy on the property (including installment agreements under section 6159),

(E)

the provisions of this title relating to redemption of property and release of liens on property, and

(F)

the procedures applicable to the redemption of property and the release of a lien on property under this title.

(e) Continuing levy on salary and wages

The effect of a levy on salary or wages payable to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released under section 6343.

(f) Uneconomical levy

No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

(g) Levy on appearance date of summons

(1) In general

No levy may be made on the property of any person on any day on which such person (or officer or employee of such person) is required to appear in response to a summons issued by the Secretary for the purpose of collecting any underpayment of tax.

(2) No application in case of jeopardy

This subsection shall not apply if the Secretary finds that the collection of tax is in jeopardy.

(h) Continuing levy on certain payments

(1) In general

If the Secretary approves a levy under this subsection, the effect of such levy on specified payments to or received by a taxpayer shall be continuous from the date such levy is first made until such levy is released. Notwithstanding section 6334, such continuous levy shall attach to up to 15 percent of any specified payment due to the taxpayer.

Exhibit R 3 of 3

(2) Specified payment

For the purposes of paragraph (1), the term "specified payment"

Parallel authorities for 26 USC 6331 (from CFR)

[NB: because this service is automated, and the information it uses relatively volatile, this listing may not be complete and is presented for reference only. You may want to consult the House of Representatives parallel table of authorities for a complete listing.]

- 27 CFR part 70

Exhibit C

CP504

EXh A-4

4828 (C) *61194V*
09/91 Destroy Immediately
Interest and Additional Tax Notice
This form is used to solicit additional tax, interest, and applicable penalties in correspondence type examinations. *CP:Ex:E:O* Tax Related Public Use

4835 *13117W* Each
1994 Min Supply for Late Filers
Farm Rental Income and Expenses
Used by land owner (or sublessor) to report gross farm rental income based on crops or livestock shares where he does not materially participate in the operation or management of the farm. *PC:FP:F:I* Tax Form or Instruction

NMF

4840 (C) *27250S* Each
01/90 Destroy Prev Issues Upon Rec
Final Notice - TDA (CP-504)
This is a Non-Masterfile final notice before seizure (CP-504) and is used to notify taxpayer of an unpaid delinquent account. Forms 8125 and 8126 were used for computer printing. Now Overlay #36 (cat.#10710z) is used in place of these two forms. *R:R:A* Tax Related Public Use

4844 *23470Y* Pad of 100
10/81 Use/Issue Prev Issue First
Request for Terminal Action
Form 4844 is a multi-purpose request form used to input or extract IDRS data. This revision reflects a new checkbox area to be completed when requesting input of a control base (relative to narcotic, tax protester, and special enforcement cases). *CP:CO:O:2:SP* Internal Use

4845 *23475B* Pad of 100
09/90 Destroy Prev Issues Upon Rec
TDA/TDI Reassignment Request
Form 4845 is used to request the IDRS terminal operator to change an assignment code. *CO:O:2:FP* Internal Use

4852 *42058U* Each
08/93 Destroy Prev Issues Upon Rec
Substitute for Form W-2, Wage and Tax Statement or Form 1099R, Distribution From Pensions, Annuities
Form is used by taxpayers to estimate wages and income taxes withheld when Form W-2 is not available from employer. *T:T:F:O* Tax Related Public Use

4861 *27257R* Each
12/80 Use/Issue Prev Issue First
NMF Block Summary
Form 4861 can be used in place of the back page of Form 813, Document Register. It is used by Accounting Branch personnel to summarize District payments for journalization purposes (recording data). The completed form is routed to the Data Control area for use and subsequent filing. *R:R:A* Internal Use

4862 *42066U* Each
06/86 Destroy Prev Issues Upon Rec
Statement of Income Tax Changes
Form 4862 is used for computing a taxpayer's revised tax liability. *CC:AP:PT* Tax Related Public Use

4864 *23495T* Pad of 100
03/84 Destroy Prev Issues Upon Rec
Request for Delinquency Notice or TDI
Form 4864 is an input document for DDES (Direct Data Entry System) to transcribe standard data fields as input to IDRS for delinquent filers, as determined by district or service center employees. The prescribing instructions are ADP Handbook 354-76 and IRM 5(18)00. *CO:O:CP* Internal Use

4868 *13141W* Each
1994 Min Supply for Late Filers
Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
Used by individuals to request an automatic 4-month extension of time to file Form 1040, U.S. Individual Income Tax Return. *PC:FP:F:I* Tax Form or Instruction

4869 2 PT (C) *61621V* Each
11/71 Use/Issue Prev Issue First
Machine Stationary
Form 4869 is machine stationary which can be used for IDRS terminal output & other reports printed on small blank stationery. *R:R:T:P* Internal Use

4872 *42074U* Pad of 50
10/88 Destroy Prev Issues Upon Rec
District Office (Non ACS) Activity Report
Form 4872 is used for accumulating feeder data for IDRS reporting. Monthly staff hours expended in collection activities are reported. Reports previously submitted on Forms 5450-B and 8466 are combined onto Form 4872. Supercedes Form 5450-B; Form 8466 is obsolete. *CO:M* Internal Use

4872 A *60128F* Each
10/93 Destroy Prev Issues Upon Rec
Automated Collection Branch Automated Monthly Report
Form used to account for staff hours expended to ACS call sites in order to provide information for budget formulation. *CO:A:SD:AS* Internal Use

4872 B *63615L* Pad of 50
07/88 Use/Issue Prev Issue First
Collection Daily Time Utilization Report
Form 4872B is a combined report of collection daily time use. The reports previously submitted on Forms 5450, 5450-A, and 8486 are combined on Form 4872B. Form 4872B supersedes Form 5450. Forms 5450-A and 8486 are obsolete. *CO:M* Internal Use

4876 A *62075X* Each
04/93 Destroy Prev Issues Upon Rec
Election to be Treated as an Interest Charge DISC
A corporation files Form 4876-A to elect to be treated as an interest charge domestic international sales corporation (IC-DISC). Once the election is made, it is effective until terminated or revoked. It applies to each person who owns stock in the corporation while the election is in effect. *T:FP:F:D* Tax Form or Instruction

4881 *42082U*
01/77 Destroy Prev Issues Upon
Chapter 42 Taxes - Disqualified Foundation Manager
This document is used as a proc
cument by Manual accounting
Service Center. The current form
it difficult to use for that purpose
design of the format will ma
smoother method of pr
E:O:E Internal Use

4883 *42083F*
07/74 Destroy Prev Issues Upon
Private Foundation Audit Chang
Function transferred from Audit
Form 4883 will be the permanent
Revenue Agents Auditing Private
tions. *E:EO* Internal Use

4891 *42087X*
01/72 No Previous Issue
Evaluation of Instructor
This form is used to make standar
ations of 'contract' instructors used
training classes. The form is optior
use to evaluate IRS instructors. It
mitted at the end of each trainin
HR:T Internal Use

4892 *42088I*
01/85 Destroy Prev Issues Upon R
RPS Error Flag
Form 4892 is used by RPS oper
identify each uncorrected RPS (Ren
Processing System) error made w
block of checks/returns during the re
lation process in the Deposit
R:R:D Internal Use

4905 (C) *27300N*
11/76 Use/Issue Prev Issue First
IDRS Delinquent Account Notices Taxpayers
This is a multi-purpose IDRS form u
generate TDA notices. *CO:O* Tax R
Public Use

4906 1 PT (C) *27305Q*
01/83 Use/Issue Prev Issue First
Blank Notice Stationery
Blank Computer Stationery. This stat
tice is being reissued to show the c
reorder point. *CO:O:SP* Tax R
Public Use

4906 2 PT (C) *42099P*
07/71 Use/Issue Prev Issue First
Blank Notice Stationery
This is two-part blank stat
CO:O:SP Tax Related Public Use

4907 (C) *23515A*
11/90 Destroy Prev Issues Upon Rec
TDA/Taxpayer Delinquent Account
Form 4907 is issued by Service Cente
the field offices as an account collec
record; & used as a primary collection
ument on IDRS. *CO:O:2:FP* Internal

Exhibit D

What are the Definitions of the words or terms used on the CP-504 Notices?

A. **Account Summary:** What account is this a summary of? Who opened the account? When was the account opened? Answers to these questions will assist in a proper response to any future communication regarding this matter. This an account for a debt.

B. **Certain assets:** Are these the assets that may be taken? How can assets be identified for taking without a clear determination of liability? Under what authority can these assets be taken?

C. **Current Balance:** How is a balance calculated without the determination of a liability? Who determined the balance? Will this Will this amount be found in the Individual Master File?

D. **Form 1040:** It is our understanding that the purpose of a 1040 is to obtain a refund, claim a filing status, a credit, an exemption or a deduction of some kind. Doesn't the use of form 1040 establish a federal income tax by expressing taxable income in terms of gross income minus the deductions in Chapter One of the IRC, in accordance with 26 USC Section 63? Did you "knowingly" declare that?

E. **Intend:** The dictionary definition is "to have in mind as a purpose or goal." Use of this word does not indicate a definiteness of purpose. The absence of a liability indicates an attempt to trick or coerce the acceptance of a non-existent claim.

F. **Interest:** What provision of law permits interest to be charged on this specific liability?

G. **Last Payment:** How are payments made on a liability that is not determined?

H. **Penalty:** What authority exists to charge a penalty? Please cite the authority that will be used to claim that a penalty should be imposed.

I. **Tax Period:** What tax is identified by a single date? What occurred on that date?

J. **To Levy:** Random House Dictionary states: levy means to seize or attach property by judicial order; 7701 (21) IRC states the term "levy" includes the power of distraint and seizure by any means. Distraint and seizure are used to take distillation equipment in federal excise collection cases. What authority do IRS agents have to take any property in an income tax collection? Internal revenue Service personnel appear to have no power to collect federal income taxes because the individual members of the co-equal branches of the federal government are submitting voluntarily to income taxation. Congress, the President and the federal judiciary have consented to subject their compensation to income taxation. The Constitution was amended in 1913 to permit Congress to tax the incomes of the individual member of the branches of the national government power.

K. **We:** I and the rest of a group that includes me. Who is the I? What is the group? Is it Internal Revenue Service? And if it is, to which government does it pertain? What is the group? Is it the Department of Treasury? If it does, to which government does it pertain?

L. To avoid additional late payment penalty and interest, pay your overdue liability now: This phrase is taken to mean that if a liability exists a prompt payment would stop additional late payments. The use of "your overdue liability" makes it clear.

M. We intend to levy on certain assets. Please respond NOW. (To avoid additional late payment penalty and interest, pay your overdue liability now). Your claimed intention to levy indicates that you believe I have in my possession assets belonging to clients upon whom you also believe you have power to seize or, as you state "take." This asserted authority confirms that you believe these clients to be "individuals" referred to in 26 USC 6331 (a). Your assertions are incorrect for the following reasons:

1. **Our records indicate that you haven't paid the amount you owe**. "Our records" do not clearly describe the documents your claim show....

2. **The law requires that you pay your tax at the time you file your return**. What law requires what payment? Imprecise allusions to the "law" does not create....

3. **This is your notice, as required by Internal Revenue Code Section 6331 (d), or our intent to levy (take) any state tax refunds that you may be entitled to if we don't receive your payment in full**. Your vague reference to your notice" again establishes that no bona fide and legal Notice exists. The lack of reference to a definite government or country on the IRS letter indicates....

4. **In addition, we will begin to search for other assets we may levy**. The Internal Revenue Service may only levy on property in its possession, if the IRS had a certified assessed tax, the IRS could proceed to collect the tax in the same way....

5. **We can also file a notice of Federal Tax Lien, if we haven't already done so**. A genuine notice of a federal tax lien could and would only follow the creation and existence of a certified assessed tax (not possible without a collector)....

6. **To prevent collection action, please pay the current balance now**. This appears to be an attempt to collect a sum of money as a debt that has not been assessed or certified to be a tax...

N. The code is written in a form that appears to command obedience but it is merely directing how a tax is to be paid by a "person liable" or a "person made liable" or if a person who volunteers to pay one.

Letter 2050

A. If you have received this notice, it means you owe tax and have ignored previous notices CP-504 or CP-523 or you have delinquent tax returns. You may receive this notice even if you have made arrangements to make installment payments or you have been placed in a "hardship" status. If this is the case, call the number on the notice immediately and advise them. Be sure to write down the name and badge number of the person you speak to as well as the date and time of the call.

B. The top right of the notice will indicate the date of the notice, the primary social security number, or employer ID, and the number to call. The notice will indicate that you have ten days to respond. The second page of the notice will describe the type of tax and tax period(s) involved. If you have filed but not paid taxes, it will also show any interest and penalties accrued since your last notice.

C. If you agree with the amount but are unable to pay it all right now there are several options. If you owe no other tax, the amount due is less than $25,000, and you can pay the balance off in 60 months or less -- call the number listed on the notice and make arrangements with them. You can specify the day of the month you want to make payments. You are advised to pay it off as soon as possible, however, you may ask them what the minimum payment is to pay off the balance in 60 months. If the amount is more than you can handle or the technician refuses to give you that option - select one of the options below.

D. One caution -- if the taxes are 941 (payroll) taxes from your employee's withholding, you have a very different problem and you may want to seek professional help as soon as possible, unless you are in a position to pay the liability within 30 days.

E. If you ignore this notice, the IRS could file returns for you or summons you to appear before them with all your books and records.

Department of the Treasury
Internal Revenue Service
P.O. BOX 145566
CINCINNATI, OHIO 45214

Date:
JAN. 22, 2001

Taxpayer Identifying Number:
N 01

Contact Telephone Number:
TOLL FREE: 1-800-829-3903
MON. THRU FRI. 8:00AM TO 8:00PM

Please Call Us About Your Overdue Taxes or Tax Returns

We have no record that you responded to our previous notices. As a result, your account has been assigned to this office for enforcement action, which could include seizing your wages or property. It's important that we hear from you within 10 days from the date of this letter.

IF YOU AREN'T ABLE TO PAY YOUR OVERDUE AMOUNT IN FULL, please call at one of the telephone numbers listed above. Be ready to tell us what your monthly income and expenses are so we can help you arrange a payment plan.

IF YOU CAN FILE YOUR RETURN WITH FULL PAYMENT, mail it to reach us within 10 days from the date of this letter. IF YOU CAN'T FILE YOUR RETURN WITHIN 10 DAYS, please call one of the telephone numbers listed above. To help us determine if you need to file, be ready to provide us with your filing information. For an individual return, this should include your income, filing status, and total federal taxes withheld. For a business return, this should include wages paid, number of employees, and FTDs made for payroll.

IF YOU WOULD LIKE SOMEONE ELSE to call us for you, we must have a signed statement from you allowing us to disclose your tax information to this person. You should make your statement on Form 2848, Power of Attorney and Declaration of Representative, which you can get from any IRS office. You must send us a copy of the completed form before your representative calls.

Regina M. Owens
Chief, Automated Collection Branch

Enclosures:
Copy of this letter
Envelope

Account Summary

Type of Tax	Period Ending	Assessed Balance	Statutory Additions	Total

Total Amount Due

Type of Tax	Period Ending	Name of Return
1040	12-31-1998	US INDIVIDUAL INCOME TAX RETURN
1040	12-31-1999	US INDIVIDUAL INCOME TAX RETURN

CP-515

Request for your Tax Return

A. If you have received this notice, it means you have failed to file a tax return. The type return and tax period will be shown in the upper right corner as well as in the body of the notice. You received this notice because the IRS has reason to think you have a filing requirement and they have received no return.

B. Attached to the notice will be Form 9358. On it, you indicate reasons you think no return was required. If any of these reason seem to apply to you, check one of them, add any appropriate notations and mail it back in the return envelope. If you did file a return, it will be necessary to send a signed copy to them. The burden of proof is on you to establish that you had no filing requirement or that you filed a return.

C. CAUTION: Some people and so called tax protest groups have begun to use this notice and the attached Form 9358 as a means to indicate that they are not required to file a return because of a number of frivolous reasons. If you use this form in this manner -- expect heavy sanctions and misery ahead. There are valid reasons for not having to file a return but most of the arguments put forth by the various so called protest groups even passes the laugh test.

D. After receiving the CP-515, you are supposed to receive a CP-516 then a CP-517, but the IRS will skip those two notices and send you a CP-518, which we will go into in the next section.

E. When you receive a CP-515 letter, how you respond to that notice goes a long way in determining what will happen in the process that follows.

012286

BOD CD-SB

** IF YOU HAVE ANY QUESTIONS, **
** REFER TO THIS INFORMATION: **

Department of the Treasury
Internal Revenue Service
CINCINNATI, OH 45999-0030

NUMBER OF THIS NOTICE: CP-515
DATE OF THIS NOTICE: 04-03-2002
TAXPAYER IDENT. NUM:
TAX FORM: 1040 200229
TAX PERIOD: 12-31-2000

172302306102

REQUEST FOR YOUR TAX RETURN

We have no record of receiving the following tax return:

Form Number: 1040 Tax Period: ENDING: 12-31-2000
Title: US INDIVIDUAL INCOME TAX RETURN

The information below has been reported to us by some of your payers and may not be all-inclusive. Please be sure to report all of your income when filing your tax return.

1.	Wages:	$	86647
2.	Withholding:	$	12997
3.	Pension:	$	33865
4.	Dividends:	$	664
5.	Interest:	$	0
6.	Non-Employee Compensation:	$	0
7.	Stock Sales:	$	0
8.	Social Security:	$	0
9.	Rents & Royalties:	$	0
10.	Other Income:	$	0

If you have not filed this tax return, please:
- prepare your tax return
- sign the return
- attach your payment for any tax due
- send it to us today.

If you cannot pay the entire amount when you file this return:
- send as large a payment as you can
- contact us to make arrangements to pay the balance.

If you are due a refund you must file within:
- 3 years from the due date of the return or
- 2 years from the date the tax was paid, whichever is later.

If you filed this tax return more than 8 weeks ago please:
- send us a copy of it

012286
BOD CD-SB

Department of the Treasury
Internal Revenue Service

NUMBER OF THIS NOTICE: CP-515
DATE OF THIS NOTICE: 06-03-2002
TAXPAYER IDENT. NUM:
TAX FORM: 1040 200229
TAX PERIOD: 12-31-2000

- sign it or re-sign it
- date it.
- allow 6 to 8 weeks to process your return.

If you filed this tax return less than 8 weeks ago, please disregard this letter.

If you believe you are not required to file, please tell us why by completing the "Information About Your Tax Return", at the end of this notice.

We will contact you again if:
- we need additional information
- we need clarification of your response or
- we determine you are required to file.

If you need assistance, call 1-800-829-1040.
If you need tax forms, call 1-800-TAX-FORM, or visit our Web site at: www.irs.gov.
Hours of Operation are: Monday-Friday 7:00 AM to 11:00 PM

*** IMPORTANT NOTICE ABOUT BACKUP WITHHOLDING ***

If you file this return and do not include your payment for any tax due, we may notify your bank or other payers to begin or continue backup withholding. They will withhold 31 percent of your interest and/or dividend payments. If you have any questions, please contact us.

012288

BOD CD-SB

Department of the Treasury
Internal Revenue Service

NUMBER OF THIS NOTICE: CP-515
DATE OF THIS NOTICE: 06-03-2002
TAXPAYER IDENT. NUM:
TAX FORM: 1040 200229
TAX PERIOD: 12-31-2000

KEEP THE TOP PART FOR YOUR RECORDS DETACH HERE

Send us this part with your reply in the envelope provided.

Number of Notice:(s) CP-515 200012
Date of Notice: 06-03-2002 SNYD

FORM	FR	LPS	TC	LRA	CC	Taxpayer ID Num:			
						0003638	PC-	BOD	CD-SBV
PY9 DF-		FS-2 EX-				200221	200221	200229	017
AG+000000000		WH00000000			CC	27000000	PLC 3627		BWI-1
						SEL-39	19380714		ADD00

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45999-0030

012286
BOD CD-SB

Department of the Treasury
Internal Revenue Service

NUMBER OF THIS NOTICE: CP-515
DATE OF THIS NOTICE: 06-03-2002
TAXPAYER IDENT. NUM:
TAX FORM: 1040 200229
TAX PERIOD: 12-31-2000

"Information About Your Return"

PLEASE COMPLETE AS NECESSARY AND RETURN THIS ENTIRE PAGE

A. If you are not required to file, please complete this section:
My filing status was:
[] Single [] Head of Household
[] Married Filing Jointly [] Married Filing Separately
[] Qualified Widow(er) With Dependent Child
Check the item(s) that apply to your situation:
[] I was 65 or older [] Blind
[] My spouse was 65 or older [] Blind
[] I could be claimed as a dependent on another's return

My total income for the tax period shown above was $_____
Tell us why you are not required to file the tax return listed above:

B. If you have already filed a return, please fill out this section:
Names shown on my tax return (if different than above) are:

My Social Security Number(SSN) shown on the return _____
My spouse's SSN (if you filed a joint return _____
Form _____ Tax Years _____ Date filed _____

C. If your spouse is deceased, complete this section:
Name of deceased spouse _____
SSN of this spouse _____ Date of death _____

D. If you have a credit on this letter, complete this section:
[] Refund the credit balance. You must file a return to get a refund of your credit.
[] Apply the credit to the tax return, tax year and SSN on this letter. My return is enclosed.
[] Apply the credit to another tax return, tax year, and SSN below:
Tax Form:_____ Tax Period:_____ SSN:_____

Please include your telephone number(s), with your area code and the best time to call you.
TELEPHONE NUMBER (____)_____ HOURS _____
TELEPHONE NUMBER (____)_____ HOURS _____

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the information provided on this form is true, correct, and complete.

_____ _____
Signature Date

Special Letter

A. When you rebut any of the IRS Fictional Prima Facie, Presumptions, you can expect them sometimes to send you a "Special Letter".

B. In the upper left will be the address of what IRS office is sending this to you.

 1. On the right side you will find the mail stop and the IRS person to contact.

 2. Your SSN or EIN will also be on the right side used to identify you.

C. First paragraph is a standard reply.

 1. Second paragraph it says that the Supreme Court has ruled that the Income Tax is constitutional.

 a. We have do not suggest that the Income Tax Laws are not constitutional.

 b. The constitution has nothing to do with the written income tax laws.

 c. We get people all the time that call us and tell us that the Income Tax Laws are unconstitutional.

 d. Where do they get that from anyway?

 2. The income tax laws are constitutional for those to whom they pertain!

D. Look at the next sentence "the Internal Revenue Service is charged with the responsibility for seeing that taxpayers comply with the Internal Revenue Laws."

 1. The last sentence referred to Income Tax Laws and in this next sentence it refers to Internal Revenue Laws so what is the difference?

 2. Income Tax Laws "Vs" Internal Revenue Laws.

 3. The Supreme Court has upheld the Constitutionally of the Income Tax Laws but the Internal Revenue Service Forces taxpayers to comply with the Internal Revenue Laws - not Income Tax laws.

 a. So who actually enforces the Income Tax Laws?

4. This paragraph goes on to refer to civil and criminal penalties.

 a. So who does these penalties actually refer?

 b. Order the IRS Penalty Manual # 8 on our literature list and start reading from the back-forward.

 c. You just might be surprised to discover to whom or what these penalties actually pertain.

5. How about a "who are you FOIA" pertaining to Ms. Kent.

Internal Revenue Service
Department of the Treasury
1973 North Rulon White Blvd.
Ogden, UT 84201

Mail Stop: 4456
Person to Contact:
Ms. Kent
Employee Number: 0469621731
Telephone Number:
1-866-899-9083
Extension: 8481
Hours: 5:30 p.m.- 11 p.m.
Mountain Time

Date: July 19, 2002

Taxpayer Identification Number:

Tax Year(s):

Dear Mr. Britt:

We considered your letter dated May 28, 2002, concerning your income tax liability for the year shown above and found that it does not justify changing our previous determination.

The United States Supreme Court consistently has ruled that the income tax laws are constitutional. The Internal Revenue Service is charged with the responsibility for seeing that taxpayers comply with the internal revenue laws. Persons not filing timely and correct tax returns subject themselves to civil and criminal penalties in addition to their tax liability.

You will receive a notice of deficiency in the near future. This notice allows you 90 days in which to agree with the tax proposed, to provide additional information for consideration, or to file a petition with the United States Tax Court for reconsideration of your tax liability.

Sincerely,

Ms. Kent

Ms. Kent

Tax Technician
Examination Branch

Letter 1058
Final Notice
Notice of Intent to Levy and
Notice of your Rights to a Hearing
Please Respond immediately

A. If you have received this notice, it means you owe tax and have ignored the Letter 2050. This is the most serious notice the IRS sends to a taxpayer owing tax. It must be responded to. Otherwise, you will lose appeal rights and they will levy all available sources including, your bank account, wages, customers, etc. You could be left without the ability to pay your rent or buy food and you could have checks you have written bouncing. This type of collection action can be devastating to you and your family.

B. The top right of the notice will indicate the date of the notice, the primary social security number or employer ID, the number to call and possibly a contact name. These notices can be issued automatically by the Automated Collections System (ACS) or by a Revenue Officer. In the body of the notice it will show the type tax, tax periods involved and the amount owed for each period.

C. If you agree with the amount but are unable to pay it all right now there are several options. If you owe no other tax, the amount due is less than $25,000, and you can pay the balance off in 60 months or less -- call the number listed on the notice and make arrangements with them. You can specify the day of the month you want to make payments. You are advised to pay it off as soon as possible, however, you may ask them what the minimum payment is to pay off the balance in 60 months. If the amount is more than you can handle or the technician refuses to give you that option - select one of the options below.

D. One caution -- if the taxes are 941 (payroll) taxes from your employee's withholding, you have a very different problem and may want to seek professional help as soon as possible, unless you are in a position to pay the liability within 30 days.

E. If you contact them and are unable to work out an agreeable arrangement to pay the tax or if it appears it will take more than 30 days to reach an agreement -- you are advised to file Form 12153, which will be included in the 1058 packet, to request a collection due process hearing. It must be sent by the 30th

calendar day following the date of the Letter 1058. If it is not, you forever lose the right to contest the collection action in court. The Form 12153 must be filed with the office that sent the notice to you. When you mail it in you may want to send it return receipt requested.

F. Letter 1058 (DO) is mailed to taxpayer by certified mail to notify you of your unpaid taxes and that the Service intends to levy to collect the amount owed, if it is not paid within 30 days. This letter is required by IRC 6331 before they levy, unless collection is in jeopardy. This 1058 notice will be generated as part of the ICS system.

G. If you get one of these 1058 Notices we suggest you contact us ASAP and request a CDP hearing which is supposed to stop them in their tracks from issuing a lien or levy.

1. They will usually set the hearing within 90 days after receiving the completed 12153 form from you.

2. You then need to be tutored as to the procedures of the hearing.

 a. What you can and cannot do.

 b. What is evidence and what is not evidence?

Date:
OCT. 10, 2000

Taxpayer Identifying Number:
N 00

Contact Telephone Number:
TOLL FREE: 1-800-829-3903
BEST TIME TO CALL:
8:00 AM TO 4:30 PM
MONDAY THUR FRIDAY

Department of the Treasury
Internal Revenue Service
P.O. BOX 57
BENSALEM, PA. 19020

Final Notice - Notice of Intent to Levy and Notice of Your Right to a Hearing
Please Respond Immediately

You have not paid your federal tax. We previously asked you to pay but we still haven't received full payment. This letter is your notice of our intent to levy under Internal Revenue Code Section (IRC) 6331 and your notice of a right to receive Appeals consideration under IRC 6330. PLEASE CALL US IMMEDIATELY at one of the telephone numbers shown above if you recently made a payment or can't pay the amount you owe.

We may file a Notice of Federal Tax Lien at any time to protect the government's interest. A lien is public notice to your creditors that the government has a right to your interests in your current assets and assets you acquire after we file a lien.

If you don't pay this amount, make alternative arrangements to pay, or request Appeals consideration within 30 days from the date of this letter, we may take your property or rights to property such as real estate, automobiles, business assets, bank accounts, wages, commissions, and other income to collect the amount you owe. See the enclosed Publication 594, Understanding the Collection Process, for additional information about this and see Publication 1660 which explains your right to a hearing. The enclosed Form 12153 is used to request a hearing.

To prevent enforced collection actions, please send us full payment today for the amount you owe shown on the back of this letter. Make your check or money order payable to the United States Treasury. Write your social security number or employer identification number and the tax year on your payment. Send your payment in the enclosed envelope with a copy of this letter.

Enclosures:
Copy of letter
Form 12153
Publication 594
Publication 1660
Envelope

Chief, Automated Collection Branch

Letter 1058 (Rev. 01-1999)(LT-11)

Time to Start Turning the Tables

A. With all the various procedures we have taught you in this "VIP Dispatch" and the previous issues we want you to get comfortable with being more assertive to protect yourself.

 1. Building up your confidence so that you can be successful against whatever the IRS tries to do.

B. Our approach is very different from many others. We want to get you grounded in solid workable procedures that are your basic building blocks so that you can lay a rock solid foundation.

 1. By using the FOIA process which is very non-aggressive approach in which there is no risk to you for doing a simple FOIA request however it does build your confidence by providing you with information necessary to protect yourself.

 2. When you study the FOIA responses that you receive from the IRS using what you have learned in these "VIP Dispatches" and our Level I, II, and III you should become very adept at spotting where they have falsified your documents.

 a. They may create the documents and put them in your file. Those are actually <u>your</u> documents.

 b. They may input incorrect entries on those documents or put documents into your file that do not pertain to you.

 c. Many times it becomes more important what documents are not in your file or what codes are not posted to your IMF or BMF file.

 d. In order for the IRS to perform their dirty deeds against someone they have to doctor up your files in great expectation that you will never realize their great deception.

 e. We have a number of people who used to live in fear of getting letters from the IRS and with our assistance they now do not fear those letters and they have retaken control of their lives.

C. We have seen so many others who do seminars or talk on the radio or advertise their services. It's not that those people do not know what they are doing because many of them do. But they teach very aggressive procedures that few people are prepared to handle such as filing a 1040x to get money back for the last three years.

1. When that 1040x backfires you are left hanging without a clue as to what to do next.

 a. In other words you receive no background and no training as to IRS procedures or what is going t happen when the 1040x fails.

 b. Most of those groups that charge 3, 5, 10, 15, or 20 thousand to join their organization are usually very shallow in teaching any real procedure and rely on others with unproved programs to prop them up.

 c. Most of those promoting those high dollar programs are more concerned with developing methods to sell their high dollar programs rather than concentrating on helping those who need help.

D. The IRS has very predictable procedures and you learn what they are going to do. Our training will help you realize that there are many substantive procedures available to you to counter anything they try to do to you.

E. We are going to put another rabbit in your hat to pull out when you need that little extra.

 1. What we are about to discuss will not work if you do not have any substantive documents that prove that the IRS has falsified those documents.

 a. YOU CANNOT HANG YOUR HAT JUST ON ONE ARGUEMNT.

 b. Many of you have either seen or been involved in a one-track argument out there.

 c. The main problem we have with all those arguments is that none of those promoters teach you the basics and we have found many of those promoters do not want you to learn the basics.

F. Go to Exhibit A, Title 31- Money and Finance: Treasury Sec. 0.205 care of documents and data.

 1. Many of you have worked with us have seen these Exhibits before.

 2. PART 0- DEPARTMENT OF THE TREASURY EMPLOYEE RULES OF CONDUCT, subpart B-Rules of Conduct.

a. Employees shall not conceal, remove, destroy, mutilate, or access documents or data in the custody of the Federal Government without proper authority.

b. This includes the documents in YOUR FILE

c. Now how could you find this out if you did not know how to use the FOIA process?

d. How would you know they altered your file if you had not studied with us. How would you know if they have abused YOUR FILE.

e. Do they conceal documents?

f. Do they remove documents?

g. Do they alter documents?

h. Do they destroy documents?

i. Do they mutilate document?

j. Do they access documents without proper authority?

k. How do you prove e through j?

l. How do you document e through j?

m. After you document those violations how do you then prove e through j?

n. How do you put together your complaint?

o. Who do you lodge your complaint with?

3. (b) Employees are required to care for documents according Federal Law and regulation and Department procedure (18 USC 2071, 5 USC 552, 552a).

 a. If they tamper with, destroy or fail to turn over your records they have committed are real Federal crimes.

4. (c) The term documents includes, but is not limited to, any writing, recording, computer tape or disk, blueprint, photograph, or other physical object on which information is recorded.

 a. Notice it says computer records, which is extremely important. As the IRS FOIA department will sometimes tell you, that they cannot send what you are

asking for because those records are retained in the computer and therefore we cannot provide those records to you.

b. Under Title 5 section 555, they are supposed to give you those records even if they are in the computer.

5. Now the following is a very serious procedure not to be taken lightly or used lightly.

6. We hope you notice that this section is not coming out of title 26 but title 31, which is POSITIVE LAW.

G. Exhibit A, Title 31 –Money and Finance: Treasury, Sec. 0.213 General Conduct prejudicial to the Government.

1. Employees shall not engage in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government.

2. Now do you think that this just might fit in somewhere?

3. What are they doing when they put false codes in your files or use your file against you knowing that there are false entries in your file?

H. We trust that before you make any allegation or complaint that you first have as many exhibits specific to you as possible documented by specific facts that cannot be rebutted or contradicted.

1. Remember our number one goal is for you to stay out of the courtroom.

2. Under the Administrative-Equity System it is a paperwork battle, not a courtroom battle.

3. There is no reason to do anything stupid that will get you into any trouble.

 a. When you whack them over the head with your facts they will be trying to induce you to do something stupid so they can somehow get their mitts on you.
 b. And if you are contemplating making a "deal" with them, you should "know" the facts and be able to negotiate from a position of strength. The effective use of knowledge is power.

PART 0—DEPARTMENT OF THE TREASURY EMPLOYEE RULES OF CONDUCT

Subpart A—General Provisions

Sec.
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Subpart C—Special Government Employees

0.301 Applicability of subpart B.
0.302 Service with other Federal agencies.

Subpart D—Advisers to the Department

0.401 Advisers to the Department.

AUTHORITY: 5 U.S.C. 301.

SOURCE: 60 FR 28535, June 1, 1995, unless otherwise noted.

Subpart A—General Provisions

§ 0.101 Purpose.

(a) The Department of the Treasury Employee Rules of Conduct (Rules) are separate from and additional to the Standards of Ethical Conduct for Employees of the Executive Branch (Executive Branch-wide Standards) (5 CFR part 2635) and the Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury (Treasury Supplemental Standards) (to be codified at 5 CFR part 3101). The Rules prescribe employee rules of conduct and procedure and provide for disciplinary action for the violation of the Rules, the Treasury Supplemental Standards, the Executive Branch-wide Standards, and any other rule, regulation or law governing Department employees.

(b) The Rules are not all-inclusive and may be modified by interpretive guidelines and procedures issued by the Department's bureaus. The absence of a specific published rule of conduct covering an action does not constitute a condonation of that action or indicate that the action would not result in corrective or disciplinary action.

§ 0.102 Policy.

(a) All employees and officials of the Department are required to follow the rules of conduct and procedure contained in the Rules, the Treasury Supplemental Standards, the Executive Branch-wide Standards of Ethical Conduct, the Employee Responsibilities and Conduct (5 CFR part 735), and any bureau issued rules.

(b) Employees found in violation of the Rules, the Treasury Supplemental Standards, the Executive Branch-wide Standards or any applicable bureau rule may be instructed to take remedial or corrective action to eliminate the conflict. Remedial action may include, but is not limited to:

(1) Reassignment of work duties;

(2) Disqualification from a particular assignment;

(3) Divestment of a conflicting interest; or

(4) Other appropriate action.

(c) Employees found in violation of the Rules, the Treasury Supplemental Standards, the Executive Branch-wide Standards or any applicable bureau rule may be disciplined in proportion to the gravity of the offense committed, including removal. Disciplinary action will be taken in accordance with applicable laws and regulations

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and after consideration of the employee's explanation and any mitigating factors. Further, disciplinary action may include any additional penalty prescribed by law.

§0.103 Definitions.

The following definitions are used throughout this part:

(a) Adviser means a person who provides advice to the Department as a representative of an outside group and is not an employee or special Government employee as those terms are defined in §0.103.

(b) Bureau means:

(1) Bureau of Alcohol, Tobacco and Firearms;

(2) Bureau of Engraving and Printing;

(3) Bureau of the Public Debt;

(4) Departmental Offices;

(5) Federal Law Enforcement Training Center;

(6) Financial Management Service;

(7) Internal Revenue Service;

(8) Legal Division;

(9) Office of the Comptroller of the Currency;

(10) Office of the Inspector General;

(11) Office of Thrift Supervision;

(12) United States Customs Service;

(13) United States Mint;

(14) United States Secret Service; and

(15) Any organization designated as a bureau by the Secretary pursuant to appropriate authority.

(c) *Person* means an individual, corporation and subsidiaries it controls, company, association, firm, partnership, society, joint stock company, or any other organization or institution as specified in 5 CFR 2635.102(k).

(d) *Regular employee* or *employee* means an officer or employee of the Department of the Treasury but does not include a special Government employee.

(e) *Special Government employee* means an officer or employee who is retained, designated, appointed, or employed to perform temporary duties either on a full-time or intermittent basis, with or without compensation, for a period not to exceed 130 days during any consecutive 365-day period. See 18 U.S.C. 202(a).

RESPONSIBILITIES

§0.104 Designated Agency Ethics Official and Alternate Designated Agency Ethics Official.

The Deputy General Counsel is the Department's Designated Agency Ethics Official (DAEO). The DAEO is responsible for managing the Department's ethics program, including coordinating ethics counseling and interpreting questions of conflicts of interest and other matters that arise under the Executive Branch-wide Standards and Treasury Supplemental Standards and Rules. See 5 CFR 2638.203. The Senior Counsel for Ethics is the Alternate Designated Agency Ethics Official.

§0.105 Deputy Ethics Official.

The Chief Counsel or Legal Counsel for a bureau, or a designee, is the Deputy Ethics Official for that bureau. The Legal Counsel for the Financial Crimes Enforcement Network is the Deputy Ethics Official for that organization. It is the responsibility of the Deputy Ethics Official to give authoritative advice and guidance on conflicts of interest and other matters arising under the Executive Branch-wide Standards, Treasury Supplemental Standards, and the Rules.

§0.106 Bureau Heads.

Bureau heads or designees are required to:

(a) Provide all employees with a copy of Executive Order 12674, as amended by Executive Order 12731, the Executive Branch-wide Standards, the Treasury Supplemental Standards and the Rules; provide all new employees with an explanation of the contents and application of the Executive Branch-wide Standards, Treasury Supplemental Standards and the Rules; and provide all departing employees with an explanation of the applicable post-employment restrictions contained in 18 U.S.C. 207 and 5 CFR part 2641 and any other applicable law or regulation.

(b) Provide guidance and assistance to supervisors and employees in implementing and adhering to the rules and procedures included in the Executive Branch-wide Standards and Treasury

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Supplemental Standards and Rules; obtain any necessary legal advice or interpretation from the Designated Agency Ethics Official or a Deputy Ethics Official; and inform employees as to how and from whom they may obtain additional clarification or interpretation of the Executive Branch-wide Standards, Treasury Supplemental Standards, Rules, and any other relevant law, rule or regulation.

(c) Take appropriate corrective or disciplinary action against an employee who violates the Executive Branch-wide Standards, Treasury Supplemental Standards or Rules, or any other applicable law, rule or regulation, and against a supervisor who fails to carry out his responsibilities in taking or recommending corrective or disciplinary action when appropriate against an employee who has committed an offense.

§ 0.107 Employees.

(a) Employees are required to:

(1) Read and follow the rules and procedures contained in the Executive Branch-wide Standards, Treasury Supplemental Standards, and Rules;

(2) Request clarification or interpretation from a supervisor or ethics official if the application of a rule contained in the Executive Branch-wide Standards, Treasury Supplemental Standards, or Rules is not clear;

(3) Report to the Inspector General or to the appropriate internal affairs office of the Bureau of Alcohol, Tobacco and Firearms, Customs Service, Internal Revenue Service, or Secret Service, any information indicating that an employee, former employee, contractor, subcontractor, or potential contractor engaged in criminal conduct or that an employee or former employee violated the Executive Branch-wide Standards or the Treasury Supplemental Standards or Rules. Legal Division attorneys acquiring this type of information during the representation of a bureau shall report it to the appropriate Chief or Legal Counsel or the Deputy General Counsel, who shall report such information to the Inspector General or appropriate internal affairs office; and

(4) Report to the Inspector General information defined in paragraph (a)(3) of this section relating to foreign intelligence or national security, as covered in Executive Order 12356. Legal Division attorneys acquiring this type of information during the representation of a bureau shall report it to the Deputy General Counsel, who shall report such information to the Inspector General.

(b) The confidentiality of the source of the information reported to the Inspector General or the internal affairs office under this section will be maintained to the extent appropriate under the circumstances.

Subpart B—Rules of Conduct

§ 0.201 Political activity.

(a) Employees may:

(1) Take an active part in political management or in political campaigns to the extent permitted by law (5 U.S.C. 7321–7326); and

(2) Vote as they choose and express their opinions on political subjects and candidates.

(b) Employees may not use their official authority or influence to interfere with or affect election results.

(c) Employees may be disqualified from employment for knowingly supporting or advocating the violent overthrow of our constitutional form of government.

NOTE: The Hatch Act Reform Amendments of 1993 significantly reduced the statutory restrictions on the political activity of most Department employees. However, career members of the Senior Executive Service and employees of the Secret Service, the Internal Revenue Service, Office of Criminal Investigation, the Customs Service, Office of Investigative Programs, and the Bureau of Alcohol, Tobacco and Firearms, Office of Law Enforcement, remain subject to significant restrictions on their political activities.

§ 0.202 Strikes.

Employees shall not strike against the Government.

§ 0.203 Gifts or gratuities from foreign governments.

(a) The United States Constitution prohibits employees from accepting gifts, emoluments, offices, or titles from a foreign government without the consent of the Congress. Congress has consented to an employee accepting

Exhibit A 3 of 5

and retaining a gift from a foreign government that is of minimal value and offered as a souvenir or mark of courtesy, unless otherwise prohibited by bureau regulation (5 U.S.C. 7342). Minimal value is prescribed in 41 CFR part 101–49 and was set at $225.00 on the date that the Rules became effective.

(b) All gifts exceeding minimal value, the refusal of which would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, shall be accepted and deposited with the Department within sixty days of acceptance. If the gift is travel or expenses for travel taking place entirely outside the United States, it shall be reported within thirty days (see 5 U.S.C. 7342(c)(1)(B)(ii)).

(c) As used in paragraph (b) of this section, *Deposit with the Department* means delivery to the Department Gift Unit or other depository as authorized by the Treasury Directive on Foreign Gifts (Treasury Directive 61–04).

(d) All foreign gifts must be reported as prescribed in the Treasury Directive on Foreign Gifts (Treasury Directive 61–04).

§ 0.204 Use of controlled substances and intoxicants.

Employees shall not sell, use or possess controlled substances or intoxicants in violation of the law while on Department property or official duty, or use a controlled substance or intoxicant in a manner that adversely affects their work performance.

§ 0.205 Care of documents and data.

(a) Employees shall not conceal, remove, alter, destroy, mutilate or access documents or data in the custody of the Federal Government without proper authority.

(b) Employees are required to care for documents according to Federal law and regulation, and Department procedure (18 U.S.C. 2071, 5 U.S.C. 552, 552a).

(c) The term *documents* includes, but is not limited to, any writing, recording, computer tape or disk, blueprint, photograph, or other physical object on which information is recorded.

§ 0.206 Disclosure of information.

Employees shall not disclose official information without proper authority, pursuant to Department or bureau regulation. Employees authorized to make disclosures should respond promptly and courteously to requests from the public for information when permitted to do so by law (31 CFR 1.9, 1.10, and 1.28(b)).

§ 0.207 Cooperation with official inquiries.

Employees shall respond to questions truthfully and under oath when required, whether orally or in writing, and must provide documents and other materials concerning matters of official interest when directed to do so by competent Treasury authority.

§ 0.208 Falsification of official records.

Employees shall not intentionally make false, misleading or ambiguous statements, orally or in writing, in connection with any matter of official interest. Matters of official interest include among other things: Transactions with the public, government agencies or fellow employees; application forms and other forms that serve as a basis for appointment, reassignment, promotion or other personnel action; vouchers; leave records and time and attendance records; work reports of any nature or accounts of any kind; affidavits; entry or record of any matter relating to or connected with an employee's duties; and reports of any moneys or securities received, held or paid to, for or on behalf of the United States.

§ 0.209 Use of Government vehicles.

Employees shall not use Government vehicles for unofficial purposes, including to transport unauthorized passengers. The use of Government vehicles for transporting employees between their domiciles and places of employment must be authorized by statute (See, e.g., 31 U.S.C. 1344).

§ 0.210 Conduct while on official duty or on Government property.

Employees must adhere to the regulations controlling conduct when they are on official duty or in or on Government property, including the Treasury Building, Treasury Annex Building and grounds; the Bureau of Engraving and Printing buildings and grounds; the

Exhibit A 4 of 5

United States Mint buildings and grounds; the grounds of the Federal Law Enforcement Training Center; and Treasury-occupied General Services Administration buildings and grounds (see 31 CFR parts 91, 407, 605, 700).

§0.211 Soliciting, selling and canvassing.

Employees shall not solicit, make collections, canvass for the sale of any article, or distribute literature or advertising in any space occupied by the Department without appropriate authority.

§0.212 Influencing legislation or petitioning Congress.

(a) Employees shall not use Government time, money, or property to petition a Member of Congress to favor or oppose any legislation. This prohibition does not apply to the official handling, through the proper channels, of matters relating to legislation in which the Department of the Treasury has an interest.

(b) Employees, individually or collectively, may petition Congress or Members of Congress or furnish information to either House of Congress when not using Government time, money or property (5 U.S.C. 7211).

§0.213 General conduct prejudicial to the Government.

Employees shall not engage in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government.

§0.214 Nondiscrimination.

(a) Employees shall not discriminate against or harass any other employee, applicant for employment or person dealing with the Department on official business on the basis of race, color, religion, national origin, sex, sexual orientation, age, or disability. Sexual harassment is a form of sex discrimination and is prohibited by this section.

(b) An employee who engages in discriminatory conduct may be disciplined under these rules. However, this section does not create any enforceable legal rights in any person.

§0.215 Possession of weapons and explosives.

(a) Employees shall not possess firearms, explosives, or other dangerous or deadly weapons, either openly or concealed, while on Government property or official duty.

(b) The prohibition in paragraph (a) of this section does not apply to employees who are required to possess weapons or explosives in the performance of their official duties.

§0.216 Privacy Act.

Employees involved in the design, development, operation, or maintenance of any system of records or in maintaining records subject to the Privacy Act of 1974, as amended (5 U.S.C. 552a), shall comply with the conduct regulations delineated in 31 CFR 1.28(b).

§0.217 Personal financial interests.

(a) Employees may hold the following financial interests without violating 18 U.S.C. 208(a):

(1) The stocks or bonds of a publicly traded corporation with a value of $1000 or less; and

(2) The stocks or bonds in the investment portfolio of a diversified mutual fund in which an employee has invested.

(b) The Department has found that the financial interests listed in paragraph (a) of this section are too remote and inconsequential to affect the integrity of an employee's service.

Subpart C—Special Government Employees

§0.301 Applicability of subpart B.

The rules of conduct contained in subpart B of this part apply to special Government employees employed with the Treasury Department. The regulations contained in §0.201 of subpart B, concerning political activity, apply to special Government employees only on the days that they serve the Department. Treasury bureaus are responsible for informing special Government employees employed with them of the applicability of bureau specific statutes or regulations.

Exhibit A 5 of 5

VIPL
5904 Vine Street
Cincinnati, OH 45216
(513) 641-2221
Fax: 313-557-0708

Many of you know about our extensive literature list at www.irsdecoder.com but many of you may not be aware of some of the other services we offer.

1. Decoding of your IMF or BMF.

In this area we have developed a computer program that encompasses the Internal Revenue Manual 6209, the Law Enforcement Manual III, and information from a number of other manuals. We input information from your file and let the computer go to work. Everything the computer generates is directly out of their manuals. We are not aware of any IMF's or BMF's that we have decoded that have been rebutted by the IRS. Also a FOIA request for each of the DLN's contained in that file is generated. What we strive to do is to decode your file and take you to the next level of understanding your records. We have decoded hundreds of years of IMF / BMF files, so you also have our wealth of experience in this area.

2. Rebuttal Letters back to the IRS

These letters are designed to address the issues that personally pertain to you. We have been dealing with the administrative process for over 20 years. We have taken courses on how to construct these rebuttal letters so they will be as effective as possible. The topics of these rebuttal letters include:

CP-515 to CP-518
CP-501 to CP-504
Letter 1862
Notice of Deficiency
1058-Intent to Levy
Notice of Lien
Notice of Levy
Notice of Determination

These are some of the main issues in this area with which we can help you. Using this rebuttal information we help you assemble the evidence so you can mail it to all the proper parties, thus building your administrative file inside the IRS. Please remember, if you do not rebut timely, the IRS will have the upper hand.

3. 2039 or 7210 Summons

We can help you in this area too.

4. Typing service

We also provide a typing service that helps you construct Motions, Notices, and other types of paperwork that can help you if you go to court.

5. "Collection Due Process Hearing"

We have helped hundreds of people with Collection Due Process Hearings. We suggest that you always attend any meeting the IRS wants to have with you. We can help you to be as prepared as possible for those hearings.

6. Summons Hearings For Books and Records

There are several ways the IRS will try to induce you in turning over your books and records and if you are not aware of their traps you could be in danger. We can educate you about those traps and never have to turn any books and records if they refuse to follow their proper procedures.

7. Is the IRS after your trust or corporation

Contact us to learn affirmative steps you can use.

We have put together an overall program that is designed to help eliminate the possibility of an indictment. Because of our experience in dealing with the IRS many of the procedures that we help you with are designed for the long run not just short term. We do not want anyone going to jail or getting their property stolen by the IRS.

We don't like the administrative equity system as it is now being administered, but we have helped people win a number of cases by knowing how to use it and how to apply it. Don't get side tracked on minor issues. Learn to approach the major issues with on point paperwork.

Sincerely yours,

Pastor Richard Standring

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